

STATE TRANSPORTATION BOARD MEETING

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March 21, 2008

Tucson, Arizona

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## A P P E A R A N C E S

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Si Schorr, Chairman

Delbert Householder, Vice Chairman

Bill Feldmeier

Bobbie Lundstrom

Victor Flores

Felipe Zubia

Bob Montoya (absent)

BE IT REMEMBERED that the hearing in the above matter was taken pursuant to notice at 255 W. Alameda Street, in the City of Tucson, County of Pima, State of Arizona, before David G. Christy, on the 21st day of March 2008, commencing at the hour of 9:00 a.m. on said day.

1 CHAIRMAN SCHORR: Good morning and welcome to  
2 a meeting of the Board of the Arizona Department of  
3 Transportation. All of our members are here and we would like  
4 to especially welcome our newest member Victor Flores from  
5 Phoenix. Good morning.

6 MR. FLORES: Thank you very much,  
7 Mr. Chairman.

8 CHAIRMAN SCHORR: The first item of business  
9 on our agenda is the Pledge of Allegiance.

10 (The Pledge of Allegiance.)

11 CHAIRMAN SCHORR: Before we formally commence  
12 the agenda, let me give you a general idea of how we are going  
13 to be proceeding this morning. We do have a rather large  
14 agenda. We will ask if you have any comments, you keep them  
15 brief so we can complete the entire agenda. The call to the  
16 audience is at the end. However, due to the fact that we know  
17 there are a lot of people in the audience who want to talk  
18 about the bypass, we will be taking public testimony after the  
19 staff presentation on that item.

20 Due to the length of the agenda and the number  
21 of anticipated speaking requests, we would ask that all of the  
22 groups select a representative to speak for them if you can.  
23 And those groups will be given a five-minute ability to speak  
24 to us all. The other speakers who are not from representative  
25 groups will be limited to three minutes. As some of you may

1 know, this meeting hall does have the apparatus in place for  
2 timing of speaking so you will be seeing a red light I believe  
3 appearing when you get to the three-minute mark. Those who do  
4 not speak prior to the item will have an opportunity to  
5 address from a call to the board. This will assure more  
6 groups can express their opinion in the limited time we have  
7 this morning. If you have not already done so, I would ask  
8 that you fill out the speaking cards and give them to our  
9 board secretary.

10 The first item on our agenda is the  
11 presentation of the 2009-2013 ADOT tentative five-year  
12 construction program.

13 MR. TRIPATHI: Mr. Chairman, honorable members  
14 of the board, item one through five is for information and  
15 discussion. Item number one is fiscal year 2009 to 13,  
16 Subprogram Recommendation. Item two is fiscal year 2009 to  
17 13, Statewide Program Highway Construction Program  
18 Recommendation that excludes MAG and PAG. Item number three  
19 is fiscal year 2009 to 13, PAG Regional Highway Regional  
20 Program Construction. I mention all three items together in  
21 the interest of time. Don Mauller who is the programming  
22 manager for the planning division at ADOT will present these  
23 items for your consideration.

24 MR. MAULLER: Thanks, Mr. Tripathi. Thanks,  
25 Mr. Chairman and I will be presenting POC and subprograms and

1 PAG. I would like to start with a revenue forecast. Our  
2 revenue forecast was originally forecasted in September. We  
3 know it has not been holding up. It was based on May 2007  
4 economic assumptions. And we are addressing some of the  
5 problems along with the state deficit.

6 The HURF collections are down. We are having  
7 some problems with the Federal Trust Fund and we are expecting  
8 a cut from it and there could be some fairly significant cuts  
9 in the highway trust fund. The tentative program, we approved  
10 this program on January 30th. We brought it to the board on  
11 February 15th where they adopted it for public hearings and we  
12 have distributed through the public hearing process and we  
13 have a website where it is available at. This is the first of  
14 three public hearings. The next one will be at the ADOT  
15 auditorium in Phoenix on April 18th and the next one will be  
16 on May 16th at the city council chambers in Flagstaff

17 The final approval will go back to the advisory  
18 committee on June 4 and go back to the board on June 20th for  
19 adoption and be effective July 1st. This year we were  
20 allocated \$700 million in fiscal year 2000 to 2013 for  
21 projects. Out of that, about \$360 million of that will be for  
22 subprograms, \$193 million for MAG and \$64 and a half million  
23 for PAG and the 13 other counties will go to \$82.4 million.

24 Subprogram increases, first one, this is the  
25 statewide planning and research funds. These are federal

1 funds. This is a match of these federal funds. What we are  
2 recommending in the first four years of the program is an  
3 additional \$100,000 from \$300,000 to \$400,000 and in the fifth  
4 go from \$300,000 to \$500,000. We have to match the federal  
5 SPR funds at 80-20.

6 The next one is pavement preservation. We are  
7 recommending to increase the fifth year of the program from  
8 \$125 million to \$135 million and along with that we have a  
9 preventative pavement preservation, they are currently at \$7  
10 million. We are increasing that in fiscal year '09 to \$8  
11 million; fiscal year 2100 to \$9 million; fiscal year 11 and 12  
12 to \$10 million, increasing it by five million in the fifth  
13 year of the program to \$12 million.

14 Next one, our public involvement, it is our  
15 communication and community partnerships. They currently get  
16 a million dollars a year. We are recommending in the first  
17 two years of the program to increase that by a million to two  
18 million. In the third and fourth year of the program,  
19 increase it by two million dollars to three million and in the  
20 fourth year increase it to four million for a total of nine  
21 million dollars over the five years.

22 These are the 13 other counties. They are not  
23 in the MAG and PAG area. This is on I-17, it is a set aside  
24 fund. In 2012, we programmed nine and a half million dollars  
25 for this. We are recommending about another nine and a half

1 million dollars. We have a study ongoing for I-17. We expect  
2 that to be completed this year and then we can decide what  
3 projects we need to program at that time.

4 State Route 89A to mile post 324. It's to  
5 widen the four lanes. This is \$10 million dollar in FY 2013.  
6 We have \$15 million programmed in 2012 for that project. We  
7 now know this \$10 million needs to be increased in that  
8 project to \$25 million. That will complete 89A from 89A,  
9 State Route 89, from 89A to Chino Valley, four-lane divided.

10 The next one is I-40 on in the Kingman area.  
11 It is to construct a new TI. We have an agreement with the  
12 City of Kingman with a 70-30 split. \$18 million is not quite  
13 \$70 million. Next year we will be coming back for another  
14 seven and a half million for ADOT's share of that.

15 U.S. 60 in Superior Streets, fiscal year 2013.  
16 To widen Superior Streets to two four-lane with a center turn  
17 lane. That will complete the widening from State Route 79 to  
18 Superior.

19 Next one, U.S. 93, Carrow to Stevens, it is a  
20 recommendation for widen to four lanes, a two lane thru-way.  
21 We will build a parallel roadway and that will construct a  
22 four-lane divided highway. This is in conjunction with the  
23 implementation plan we currently have on U.S. 93. Along with  
24 the TOC projects, we also recommend four subprograms for the  
25 TOC area. The first one is \$6 million for major project

1 design. This will come in in future years. Also, \$3 million  
2 for studies in the rural areas. Also, we recommended \$4  
3 million dollars for passing lanes and started identifying in  
4 about the third year of the program and \$700,000 for design of  
5 those.

6 Also, the PAG region projects. The first one  
7 is the I-10 from Ruthrauff to Prince, widening to 8 lanes, in  
8 2013 we are recommending \$13 million. On that project in  
9 fiscal year 2009, we have \$21 million programmed for that.  
10 2010, \$14 million and 2011, \$18 million and with this increase  
11 we will have \$56 million programmed for that project.

12 Next is I-10, Marana to Ina, TI, construct  
13 frontage roads, \$6 million in 2013.

14 I-10, Valencia Road TI, design and widen  
15 bridges in fiscal year 2013. We are recommending \$17.8  
16 million. Last year, we programmed \$25 million on that  
17 project. We are getting close to that.

18 I-10, Country Club Road, TI, to construct  
19 traffic interchange, for \$17.8 million. I will come back to  
20 that one. That is the same amount as the previous one.

21 I-10, Wilmot Road, TI. That is to upgrade  
22 an existing traffic interchange. That is \$6 million. This  
23 one is \$6 million. It's not the \$17 million.

24 We are recommending on I-19, construct roadway  
25 widening to six lanes from San Xavier to Ajo Way, \$6 million



1 for that project.

2 State Route 77, from Tangerine Road to Pinal  
3 County line, widen roadway to six lanes in fiscal year 2013  
4 for a total of approximately \$12.7 million. That concludes my  
5 presentation. If there is any questions, I would be glad to  
6 answer them or if you prefer to wait until all of the  
7 presentations.

8 CHAIRMAN SCHORR: Any questions?

9 MR. FELDMEIER: Are you going to start  
10 breaking these down individually? I'm looking for the  
11 appropriate time to start asking the questions we visited  
12 about.

13 MR. MAULLER: As part of the presentation?

14 MR. FELDMEIER: Right.

15 MR. MAULLER: I can answer your questions now.

16 MR. FELDMEIER: As part of a tradition, the  
17 staff folks brief board members when the plan is about to hit  
18 the press and they brief us on what is going on in MAG and TAG  
19 and the 13 other counties as well. When I reviewed this  
20 information with staff people maybe six weeks ago or so, I  
21 reviewed the information in particular as it relates to the  
22 amount of funding in the fifth year that goes to all of the  
23 counties and I notice there were a number of counties, nine if  
24 I'm correct, I might be off by one, that had no money set  
25 aside for that fifth year. Is that correct, Don?

1 MR. MAULLER: That's correct.

2 MR. FELDMEIER: That concerned me a great deal  
3 and one of the things I commented on with the staff folks was  
4 my belief that there ought to be projects, no matter how  
5 small, if at all possible in counties in every year of the  
6 Five-Year Plan. This year with I think nine counties getting  
7 goose eggs, it makes me very uncomfortable.

8 I discussed with the staff folks at our  
9 briefing the possibility of moving one of the projects in  
10 Mojave County and if you can turn that back to that Carrow  
11 Springs project on 93, \$21.4 million estimated and divide that  
12 money up into projects of need in the other counties.

13 I need to ask if you have had an opportunity  
14 to visit with the other board members related to that.

15 MR. MAULLER: We visited with all of the board  
16 members. You were the only one that brought up that issue.

17 MR. FELDMEIER: So none of the other board  
18 members are aware through conversations and our visit with you  
19 our desire to spread that funding over the other counties.

20 MR. MAULLER: That is correct. You were the  
21 only one we visited with.

22 MR. FELDMEIER: So this would be our  
23 opportunity now.

24 MR. MAULLER: Correct. And we have other  
25 recommendations from board members also.

1 MR. FELDMEIER: I am not familiar with what  
2 projects folks in these other counties may have or may need  
3 based on conversations they have had with elected officials  
4 within their transportation districts or their elected  
5 officials and constituents of any type. So I want you all to  
6 know that I think it is appropriate to pool this funding and  
7 spread it out over these other rural counties that have not  
8 had the opportunity to have any project based on a realistic  
9 need. I don't know whether we can go much further than that  
10 today because I'm not familiar with what those could be.  
11 These individual board members could be with some assistance  
12 of staff able to help us out on the possible projects.

13 MR. MAULLER: For the rural communities, we  
14 only got this year \$82.4 million. Of the major projects in  
15 the range of \$20 million, it's hard to give every county a  
16 major project. But we do have a lot of subprograms like the  
17 pavement preservation where we do improvements in the counties  
18 and they are typically broken out in the second and third year  
19 of the program.

20 MR. MENDEZ: Mr. Chairman, maybe at the next  
21 meeting we can bring back the individual board members and  
22 comments and maybe the recommendations that we as staff would  
23 make to the board to address those concerns. But I would like  
24 to go back to what Mr. Feldmeier said. It has to be projects  
25 in the various counties that are of critical nature. To

1 simply allocate money to a county simply because there is a  
2 goose egg may not be appropriate in light of all of the  
3 critical needs throughout the entire state.

4 The other thing we need to break down, as Don  
5 was mentioning, there are various other programs such as  
6 pavement preservation, etc., where we have allocated money  
7 probably to every county. I would have to look at our  
8 spreadsheets. So I think the goose egg, as you have termed  
9 it, is really in relation to major projects. Given the amount  
10 of funding available for the projects, it makes it kind of  
11 difficult to spread that out throughout all of the other  
12 counties.

13 We will bring that to you and kind of show you  
14 all of the board member comments and how we would address them  
15 and make our recommendations.

16 MR. FELDMEIER: Fair enough.

17 CHAIRMAN SCHORR: Any further questions?  
18 Let's move on to the next item.

19 MR. TRIPATHI: This is fiscal year 2009,  
20 Regional Transportation Plan Recommendation. I would like to  
21 invite Mr. Kang to make that presentation.

22 MR. KANG: My name is Kwi Kang. I'm with the  
23 ADOT office. I would like to give you a presentation on the  
24 MAG tentative highway program. We start with the proposed  
25 fiscal year 2013 projects and they are as follows. On I-17

1 between Arizona Canal and State Route 101, construct six miles  
2 of general purpose lane for \$48 million. On I-10 between  
3 Baseline and Santan Freeway, 2.6 miles of general purpose  
4 lane. I-10, construction of TI at Perryville Road.

5 On U.S. 60, Grant Avenue between Route 303 and  
6 Van Buren Street, design improvements. On U.S. 60,  
7 Superstition Freeway at Meridian Road, construction of TI.

8 Pima Freeway between I-17 and Tatum Boulevard,  
9 construction of six miles of HOV lane for \$33 million.

10 Between Shea and Red Mountain Freeway, design  
11 11 miles of a general purpose lane.

12 On Red Mountain Freeway, between State Route  
13 101 and Gilbert, seven miles of a general purpose lane. On  
14 Santan Freeway, between Dobson Road and I-10, construct six  
15 miles of HOV lane and this project includes an HOV to HOV  
16 connection.

17 On South Mountain between I-10 and 51st  
18 Avenue, construct new freeway.

19 On State Route 801 between Route 303 and South  
20 Mountain, \$10 million for right of way acquisition. On State  
21 Route 303, \$265 million set aside for new freeway  
22 construction.

23 This is the program summary. We have \$3.56  
24 billion for the next five years and it is a very light  
25 program. This concludes my presentation. If there are any

1 questions, I can answer them.

2 CHAIRMAN SCHORR: Any questions from the  
3 board? If not, we will move on to the next time.

4 MR. TRIPATHI: Item five, fiscal year  
5 2009-2013, Airport Development Program Recommendation and I  
6 will invite Barclay Dick to make that presentation.

7 MR. DICK: Thank you, Mr. Chairman and members  
8 of the board. My client from the Aeronautics Division will be  
9 making the presentation.

10 MR. GENTSCH: Thank you, Mr. Chairman, members  
11 of the board. The five-year tentative program as we have  
12 presented to you is predicated on the aviation fund providing  
13 the funds and from no other source. This particular fund we  
14 begin with as its revenue sources are dedicated by aviation  
15 for aviation purposes. The revenues in 2007 were  
16 approximately \$22.9 million and were divided from major  
17 sources of flight property tax, aircraft lieu, registration  
18 taxes, aviation fuel, and airport loan payments.

19 This revenue source created a beginning  
20 balance of \$34 million for the fiscal year '08 when we began  
21 to project for the upcoming Five-Year Plan. Revenues we  
22 estimated to be approximately \$26 million during the fiscal  
23 year and expenses will be approximately \$48 million, ending  
24 this fiscal year with about \$12 million. It is from there we  
25 began our projections.

1                   Because the airports are publicly owned  
2   institutions of a variety of jurisdictions, that ADOT does not  
3   own any of these airports, we solicited from them their needs,  
4   both for federal funding and state funding of airport  
5   development projects. 93 airports are in the system. 66  
6   provided us with 952 projects. Of these, over 560 were for  
7   federal-state funding of which we match a local share and that  
8   is our grant participation which ends up being about two and a  
9   half percent of the project costs. 277 were state-local  
10   projects and we fund approximately 90 percent of those  
11   projects with these airports.

12                   For fiscal year '09, 74 projects were  
13   considered. 27 are proposed to be funded in 2009 for about  
14   \$21.6 million. The program for fiscal year '09 to match those  
15   federal grants, we set aside \$4 and a half million dollars,  
16   provided \$21 million for the state and local projects.  
17   Because of our funding situation, we are not doing airport  
18   pavement preservation work at this time, partly because we are  
19   still recruiting a new contractor for engineering services on  
20   a statewide level and because we have to try to balance the  
21   fund expenditures to make sure it remains solvent.

22                   Airport development loans have been reduced to  
23   about a million dollars and our state planning grants of about  
24   a million dollars making a total program for fiscal year '09  
25   about \$28 million. The rest of the five-year program stays

1 fairly balanced each year, \$27-\$28 million and every year we  
2 have a similar type of funding for federal and state funding  
3 programs.

4 The APMS pavement preservation program returns  
5 in '10 and we will begin to restore the pavement preservation  
6 program as the APMS are capable of underwriting that cost.  
7 The loans are very small right now in projection because of  
8 the issues dealing with not only fund balance but our  
9 abilities to issue loans to airports.

10 With that program provided, the beginning  
11 balance we started with for '09 ending '08 at \$12 million  
12 dollars on a year-to-year basis, the aviation fund balance  
13 will be approximately \$13 to \$14 million during the five-year  
14 program. That is a very safe, very comfortable position for  
15 us to be in and allows us to continue to develop airports  
16 within the state with this recommended program.

17 That recommendation for \$21 million in '09 is  
18 what we are recommending to the board for its approval. I can  
19 answer any questions if you have them.

20 CHAIRMAN SCHORR: Thank you. Any questions by  
21 the board? Hearing none, we will move onto the next item  
22 which is an item not included in the agenda. Does that  
23 require any motion by the board?

24 MR. MENDEZ: No, you don't have any item we  
25 can move on.



1 CHAIRMAN SCHORR: Item seven.

2 MR. FLORES: I have two items for you. First  
3 of all, as you know, our former transportation director  
4 retired about two weeks ago. He worked with us for many, many  
5 years. We now have a replacement. We did have a certain  
6 amount of time where we overlapped assignments. So I would  
7 like to introduce Mr. Rakesh Tripathi. He has very extensive  
8 background in engineering and planning. He was an engineer in  
9 Texas. He most recently worked with the Texas DOT and was  
10 interim transportation planning director so I would like to  
11 introduce him.

12 MR. TRIPATHI: It's a pleasure.

13 MR. MENDEZ: He is now our new transportation  
14 planning director. He has a lot of good experience and will  
15 help us move our planning to the next level. You will get to  
16 know him over the next couple of years.

17 CHAIRMAN SCHORR: Welcome aboard. I have had  
18 the opportunity to speak to Rakesh over the past few weeks and  
19 I'm very pleased that he is on-board. We look forward to your  
20 years with our department.

21 MR. MENDEZ: My second and final item is to  
22 let you know you will be receiving a copy of the recently  
23 completed Arizona State Rural Transit Need Study. For all I  
24 know, I think maybe you received a copy already. I don't  
25 know. But I wanted to let you know at the April study

1 session, we will be briefing you on that one item and again as  
2 we move into more of a multimodal approach to transportation,  
3 that will give you a pretty good idea of what is needed. We  
4 have 19 rural public programs where we provide primarily  
5 federal funding out to rural areas for public transportation.

6 Through that study, we have determined that  
7 about 18 percent of Arizona's needs are currently being met.  
8 So I think that tells you that we need to really beef up that  
9 program. So we will have more discussion on that and kind of  
10 give you a whole summary on that report in April.

11 CHAIRMAN SCHORR: Thank you, Mr. Mendez. Our  
12 next item is item eight which is the legislative report.

13 MS. COLLERAN: Good morning, Mr. Chair, and  
14 members of the board. I would like to start with the  
15 state legislative update. At this point in the session, bills  
16 are moving from one house to another. A number of the bills  
17 have not made it through the house of origin so they are  
18 technically dead. The language in any of those bills can  
19 always turn up in an amendment or strike everything in another  
20 bill.

21 Some of the bills that have not made it  
22 through the house of origin at this point include the house  
23 concurrent resolution which would have provided for a general  
24 election ballot to allow the HURF to change use from highway  
25 to transportation issues; the HOV lane hour changes, the toll

1 road that would have been built from Route 303 to Prescott;  
2 the addition of a tribal representative to the transportation  
3 board and the adding of four new districts for the  
4 transportation board. Again, those are bills that are at this  
5 point technically dead but can always show up again somewhere.

6           Some of the bills that are moving through the  
7 process include the ADOT rules revision which is the bill that  
8 takes away some of the rule-making requirements that are  
9 currently already covered under statute. A bill to add an  
10 additional district for the transportation board if a county  
11 increases population above 500,000, that has passed the house  
12 and been sent to the senate. Hybrids in the HOV lane, that  
13 also has passed the senate and been sent to the house. There  
14 are some problems with that bill so it remains to be seen how  
15 that bill will end up. The sponsor highway safety signs  
16 actually failed but will be heard under reconsideration.

17           ADOT continuation, there was an amendment that  
18 changed that from five years to eight years and that has now  
19 passed the senate and then sent to the house. The logo sign  
20 program which allows for revenue sharing for the logo sign  
21 program in addition to the 24-hour pharmacy has passed the  
22 house and been sent to the senate and the state aviation fund,  
23 that has passed the senate and been sent to the house but it  
24 is my understanding we are still working with the sponsor on  
25 that bill. It still has some problems with it.

1                   There are also a number of the public-private  
2 partnership bills that are still out there. It's policy  
3 discussion. It is still under way. The bills are in various  
4 stages and it is unclear at this point whether any of them are  
5 actually going to pass.

6                   We have the public-private partnership written  
7 agreements, the toll roads for local governments to establish  
8 authorities to do toll roads, innovative partnership programs,  
9 rest area, privatization, HOV lane conversion to toll roads,  
10 and public-private partnerships on a broader basis. And  
11 again, it is unclear at this time, the discussion continues,  
12 but we are unclear what will happen with those.

13                  On the federal legislative update, the fiscal  
14 year '09 budget has been set by the house and the senate.  
15 Both of them have set the transportation budget at the levels  
16 that were included in safety lieu which is good. The senate  
17 has also included about \$7 million in additional funding for  
18 infrastructure improvements in hopes that there is a second  
19 stimulus package that they can actually move forward some  
20 funding.

21                  It is unclear what is going to happen with the  
22 appropriations though. While they have got the budget set  
23 because of the presidential elections up and coming and the  
24 uncertainty about who is going to be in office at the time, we  
25 probably are not going to see any appropriations bills passed

1 until after the election itself.

2 FAA reauthorization, the current bill has been  
3 continued through the end of the June 30 of 2008. That bill  
4 is still -- the senate cannot come to terms. The two  
5 committees are still fighting. It is unclear if they are  
6 going to deal with that this year. The more likely is we will  
7 see a one-year continuing resolution of the bill until 2009.

8 Safety lieu technical correction bill was  
9 actually put on the senate calendar, but again they have not  
10 actually scheduled it so we will have to see if they hear  
11 that. And then to follow up on a board request on a concept  
12 called complete streets, there was a new bill that came out in  
13 the senate, 2686, which just introduced and requires states to  
14 have policies in place to show that they are considering  
15 complete street designs. Again, that has been introduced.  
16 There are several other bills. None of them have actually  
17 been heard in any committees. I will be happy to answer any  
18 questions.

19 CHAIRMAN SCHORR: Any questions by the board?

20 MR. ZUBIA: Eileen, on the -- couple of  
21 questions. Those dealing with public-private partnerships,  
22 are there any more specifics you can give on toll roads and  
23 discussions or lack thereof? I don't want you to go too far  
24 out on a limb.

25 MS. COLLERAN: Last year we had the discussion

1 and it was shut down very quickly. This year we are having  
2 the discussion and people are a lot more engaged in it.  
3 People are looking at the fact that the economy has slowed  
4 down, that revenues for transportation as well as many other  
5 things are not coming in as expected and now are looking at  
6 the possibility of needing other forms of revenue to help  
7 build infrastructure.

8 So the conversation is definitely broadened.  
9 More people are engaged in it. But it is difficult to say at  
10 this point in time what public policy decision will be. But  
11 it has engaged a lot more people in it now.

12 MR. ZUBIA: As that discussion moves forward,  
13 would you mind keeping the board apprised on a more regular  
14 basis through emails and not waiting until the regular board  
15 meeting to do so so we can keep track of it ourselves.

16 MS. COLLERAN: Absolutely.

17 MR. ZUBIA: And then the second issue that you  
18 raised was dealing with the legislation dealing with aviation  
19 fund. You said there is an issue with a sponsor. Can you  
20 elaborate a little on that?

21 MS. COLLERAN: My understanding is we are  
22 continuing to work with the sponsor on that bill.

23 MR. ZUBIA: Who was the sponsor?

24 MS. COLLERAN: Senator Arsberger. We are  
25 continuing to work with her on that bill.

1 MR. ZUBIA: What were the details of the bill  
2 exactly?

3 MR. TRAVIS: Senator Arzberger is considering  
4 putting a cap on the amount that we loan from the fund and a  
5 cap on the grants and whether or not the pavement preservation  
6 piece that you have heard presented as part of the aviation  
7 brief is also part of that 10 percent cap, 10 percent going to  
8 any one facility.

9 MR. ZUBIA: So there was some discussion, at  
10 least the bill deals with -- the question I guess dealt with  
11 the bill proposes to amend the state's statutes dealing with  
12 the caps on the amount that is given to any one facility?

13 MS. COLLERAN: That's correct.

14 MR. ZUBIA: I know we are talking about that a  
15 little later in the agenda, but does that somewhat have to  
16 deal with the item we were discussing last month with regard  
17 to loans, grants, so forth? That may not be something for you  
18 to answer.

19 MS. COLLERAN: I believe that it does, in  
20 fact.

21 MR. ZUBIA: I can get into more detailed  
22 questions when that item comes up. I appreciate it, Eileen,  
23 thank you.

24 CHAIRMAN SCHORR: Any other questions by the  
25 board? If not, let's move on to the next item. Item nine,

1 the financial report.

2 MR. McGEE: Good morning, Mr. Chairman,  
3 members of the board. I will be addressing agenda items nine  
4 through 14. Beginning with agenda item number nine, HURF  
5 revenue collections. As you can see from the chart  
6 collections for the month of February total \$115.6 million.  
7 That was 4.3 over last year but 6.9 percent below the  
8 forecast. As I indicated last month, we expected that to  
9 happen because of the timing differences last year in certain  
10 collections between January and February and that did indeed  
11 happen.

12 Year-to-date collections now total \$892.2  
13 billion -- I'm sorry \$898.2 million which is 6/10th percent  
14 below last year and 4.9 below forecast. All revenue  
15 categories except the vehicle license tax and the other  
16 categories are running below last year. Every category is  
17 running under forecast. I expect that we will probably end  
18 the year with a variance somewhere between zero percent to a  
19 negative one percent in total collections compared to last  
20 year.

21 Moving to RARF collections for the month of  
22 January, collections total \$36.2 dollars. That was 7.7  
23 percent below last year and 10.9 percent below the forecast.  
24 Year-to-date collections now stand at \$226.7 million, down 1.5  
25 percent from last year and 4.2 below the forecast.



1                   Retail sales contracting, restaurant and bar,  
2     continue to lag last year's results. Every category is  
3     running below forecast. Here again, I believe we will  
4     probably end this year flat to a negative two percent variance  
5     compared to last year's collections.

6                   Moving to our investment report for the month  
7     of February, the department earned \$5.158 million on its  
8     invested funds. That represents an average investment rate of  
9     4.04 percent. Year-to-date interest earnings now stand at  
10    \$40.9 million representing an average yield of 4.6 percent.  
11    And as you can see between the differences in the year-to-date  
12    yield and the monthly yield, the actions by the Federal  
13    Reserve Fund to lower interest rates are having an impact on  
14    our investment earnings and will continue to do so.

15                  Finally, moving to the HELP report, as of  
16    January 29th, the HELP fund cash balance stood at \$109.8  
17    million. This was up about \$5.1 million over the previous  
18    month as a result of \$5.5 million of principal repayments,  
19    about \$800,000 of loan draws and about \$400,000 of interest  
20    income.

21                  As the board knows, we have two HELP Loans  
22    that we will be presenting to the board under agenda items  
23    number 13 and 14. As the board also knows, a substantial  
24    portion of the funding of the HELP fund is a result of board  
25    funding obligations which are borrowings from the state

1 treasurer. And we currently have \$90 million of board funding  
2 obligations in our total capitalization. As the board, I  
3 believe, is also aware those board funding obligations are  
4 subject to call if general funds get below a certain level.

5 General fund balances have been going down as  
6 a result of the lower than anticipated revenues coming in.  
7 And while I don't expect it to happen, if those revenues get  
8 below a certain threshold, these funds can be called. So  
9 therefore, we have been doing a fair amount of analysis on the  
10 HELP fund over the last month or so. And we believe that  
11 except for the two remaining -- the two loans that we will  
12 present to the board today for consideration, we are  
13 recommending a moratorium on future HELP Loans until the  
14 situation with the general fund and general fund budget  
15 becomes clearer and more resolved.

16 This is not an unusual step. We took the same  
17 action, suspended all new loans back in the 2002-2003 period  
18 when the general fund also had similar issues. And we just  
19 don't want to put ourselves in a position that we might have  
20 more commitments against the HELP fund than we might have  
21 assets to fund those commitments. But we are fine with the  
22 two loans we will be presenting today. And I would be happy  
23 to answer any questions that the board might have with respect  
24 to agenda item number nine.

25 CHAIRMAN SCHORR: Any questions by the board?

1 If not, we will move to the next item.

2 MR. McGEE: Agenda number 10, as a result of  
3 the board's resolution directing staff to proceed with its  
4 planned issuance of Series 2008 highway revenue bonds, we have  
5 developed a preliminary schedule of events which is presented  
6 in your packet of materials which I handed out. As you will  
7 see on page two of that calendar of events, the schedule has  
8 staff presenting the board today with two action items.

9 First, the adoption of the supplemental  
10 resolution and, second, the appointment of underwriters.  
11 Those two items will be presented to the board as agenda items  
12 number 11 and 12.

13 You will also note that the schedule  
14 anticipates pricing the issue in mid April and closing by the  
15 end of April. I would like to make some comments with respect  
16 to this issuance in order to give the board some perspective  
17 on the current financial environment that we are operating  
18 under.

19 By any measure, I believe the past seven  
20 months has been one of the most tumultuous periods in  
21 financial markets in probably the last several decades. The  
22 collapse of the real estate market; the loss in value of  
23 hundreds of billions of dollars of sub-prime mortgage  
24 securities; the near collapse of the entire municipal  
25 insurance industry; the actual collapse of the fifth largest

1 investment banks in America and I'm sad to say one of our  
2 senior underwriting firms Bear Sterns; continuing rumors of  
3 potential problems with even larger firms; the collapse of  
4 pretty much the entire auction rate market and the spillover  
5 effect into other variable rate debt; unprecedented  
6 intervention by the U.S. Government and Federal Reserve to  
7 shore up a number of financial institutions and even the U.S.  
8 economy.

9                   These events have led to some unprecedented  
10 interest rate dislocations over the last several weeks.  
11 Municipal debt, debt that you don't have to pay taxes on, has  
12 been selling for anywhere from 10 to 20 percent more than  
13 treasury yields of an equivalent maturity when normally they  
14 sell for about 30 percent less. So we are in an interest rate  
15 environment that is just really unprecedented.

16                   At some point, these dislocations have to  
17 correct themselves. That means that either treasuries have to  
18 go up a bunch, municipals have to come down a bunch or some  
19 combination of those two things must occur. However, when,  
20 how, and what further effects these movements could have on  
21 the economy or the financial institutions are all unknown.

22                   The collapse of the variable auction rate  
23 market has driven many issuers to the market to refinance this  
24 debt into primarily fixed rate debt. This has led to a very  
25 heavy supply of new fixed rate debt issuances, putting

1 additional pressure on rates.

2                   So what does all of this mean for the board's  
3 anticipated 2008 HURF issue? The good news is that buyers are  
4 looking for high quality, highly rated uninsured debt from  
5 quality named issuers. And the board's HURF debt certainly  
6 fits that bill. The second piece of good news is that so far  
7 even with the extremely heavy supply that we have been  
8 experiencing in the last several weeks, the buy side of the  
9 equation has held up.

10                   The bad news is that interest rates are  
11 probably 50 to 75 points higher than they were six to eight  
12 weeks ago and we will be facing a very crowded market. In  
13 addition, day-to-day headlines of doom and gloom make it  
14 extremely difficult to pick a specific date in advance of  
15 pricing. In order to overcome these conditions, we will need  
16 to be very flexible with respect to this issue as we enter  
17 into our pricing period. Structuring, couponing, sizing and  
18 timing will all be very important to the successful issuance.

19                   Luckily, we have the flexibility to structure  
20 this issue and to take advantage of whatever the market might  
21 offer up. For example, one thing that we will be looking at  
22 very carefully is the sizing. We will be asking the board  
23 under the next agenda item to authorize up to \$375 million  
24 worth of bonds to be issued. As you are aware or as I believe  
25 you are aware, the financial plan for this year anticipated

1 the need to issue approximately \$305 million. However, we are  
2 going to ask the board to size that up to \$375 million in  
3 order to compensate somewhat for the slower revenues that I  
4 have just been talking about.

5                   However, given the current market conditions  
6 that I just described, we may choose to issue the \$375 million  
7 in more than one issuance. For example, we may issue 150 to  
8 200 million, plus or minus, now to get us through the next six  
9 to nine months. Then reissue the balance after hopefully the  
10 market has settled down somewhat, or move forward with the  
11 entire issue. If we hit a bad day in the market, we may  
12 downsize at the time of pricing to match demand rather than  
13 changing the interest rate to force the additional size of the  
14 issue.

15                   So as I said, this is a very fragile,  
16 unsettled market but we have a lot of flexibility. We have a  
17 good name. We have a good product. And I believe we have a  
18 very good team that will allow for a successful pricing. That  
19 being the environment, I would be happy to answer any  
20 questions.

21                   CHAIRMAN SCHORR: Thank you very much,  
22 Mr. McGee, for that concise, somewhat somber, and apparently  
23 quite accurate picture for the board. Any questions by the  
24 board? I would like to give the board's thanks to Mr. McGee  
25 and his team for staying on top of this very volatile

1 situation. I thought the synopsis was as good as any I have  
2 read in any journal. Any further questions? The action items  
3 then?

4 MR. McGEE: Moving to agenda item number 11 is  
5 the bond resolution of which I was just discussing. It  
6 supplements the board's original HURF resolution dated May 1,  
7 1980 and authorizes the board to issue up to \$375 million of  
8 senior lien highway revenue bonds in one or more series. The  
9 terms and conditions contained in the resolution are  
10 consistent in all material respects with past resolutions.  
11 And I would recommend adoption of the resolution.

12 CHAIRMAN SCHORR: The motion is in order. Do  
13 I hear a motion?

14 MR. HOUSEHOLDER: So moved.

15 CHAIRMAN SCHORR: Seconded by?

16 MR. FELDMEIER: Second.

17 CHAIRMAN SCHORR: Seconded by Mr. Feldmeier.  
18 All in favor say aye.

19 ALL BOARD MEMBERS: Aye.

20 CHAIRMAN SCHORR: The motion is granted.

21 MR. McGEE: I would point out that in the  
22 packet of materials that I gave the board, directly behind the  
23 resolution itself is a copy of the preliminary official  
24 statement for the board's review.

25 Moving to agenda item number 12, agenda item

1 number 12 is a resolution of the staff recommending an  
2 underwriting team for this issuance. We believe that it is in  
3 the best interests of the board to do this issuance as a  
4 negotiated issuance for many of the reasons that I talked  
5 about under agenda item number 10. I would like to read the  
6 resolution into the record. It is contained in the handout of  
7 materials which I gave you earlier. This is a resolution of  
8 the State of Arizona Transportation Board appointing managing  
9 underwriters for its planned issuance of highway revenue  
10 bonds, Series 2008A. The board hereby appoints the following  
11 firms to act as managing underwriters in connection with its  
12 planned issuance of highway revenue bonds Series 2008A.

13 As senior manager, Citigroup Global Markets  
14 with a 40 percent liability. As co-managers, J.P. Morgan  
15 Securities, Incorporated with a 20 percent liability; Goldman  
16 Sachs and Company, co-manager with a 20 percent liability; UBS  
17 Financial Services, Incorporated, as co-manager, with a 15  
18 percent liability; Peacock, Hislup, Staley and Given, Inc.,  
19 co-manager, five percent liability.

20 Given the current, unfortunately, given the  
21 current market conditions, this next session takes on more  
22 meaning than it normally does. The board reserves the right  
23 to make changes in the management team designated above if it  
24 is deemed to be in the best interests of the state, dated this  
25 21st day of March 2008, State of Arizona Transportation Board.



1 That would be our recommendation for the underwriting.

2 CHAIRMAN SCHORR: You have heard Mr. McGee's  
3 explanation. Is there a motion forth coming?

4 MR. ZUBIA: So moved.

5 CHAIRMAN SCHORR: Moved by Mr. Zubia.

6 MR. FLORES: Second.

7 CHAIRMAN SCHORR: Seconded by Mr. Flores. Any  
8 discussion?

9 MR. FLORES: Mr. McGee, if you could briefly  
10 describe the conditions under which there would be a change.  
11 I certainly understand that there must be a process for  
12 selecting this team. I don't want you to go into a lengthy  
13 discussion. But is that on there because something has  
14 occurred in the past? Would you please address that portion  
15 of the resolution.

16 MR. MCGEE: Yes, Mr. Chairman, Mr. Flores.  
17 That is a standard language that we put into the resolution  
18 and the recommendation just in case something happens to one  
19 of these firms, something happens to the capitalization,  
20 something happens to their licensing, something happens to  
21 their ability to perform in their capacity as a senior manager  
22 or co-manager for the board in the issuance of the bonds. And  
23 that gives us the flexibility if something were to happen, we  
24 could come back to the board and the board could make a  
25 different designation.

1 MR. FLORES: Thank you. Another question, you  
2 indicated that there is a possibility of doing it. So would  
3 you come back before the board?

4 MR. McGEE: Mr. Flores, thank you for that  
5 question. I meant to mention that. This would be for the  
6 2008A Series issuance, whatever size that ends up being. If  
7 it's the full \$375 million, they will do the full \$375  
8 million. If we do a \$100 million or \$150 million tronch[sic],  
9 the next issuance would be designated 2008B and we would come  
10 back with another recommendation for that team.

11 CHAIRMAN SCHORR: Any further questions or  
12 comments? I believe a motion has been offered. All those in  
13 favor say aye.

14 ALL BOARD MEMBERS: Aye.

15 CHAIRMAN SCHORR: Any opposed? Carried  
16 unanimously.

17 MR. McGEE: Moving to agenda number 13 is a  
18 resolution of board accepting and approving a HELP Loan  
19 application from the town of Payson and authorizing a loan  
20 repayment agreement. The loan would be a \$1.2 million loan.  
21 The term is five years. The loan would be used for the  
22 improvements to East Bonita Street from the Bee Line Highway  
23 to South Bentley Street and we would recommend adoption of the  
24 resolution. It was unanimously approved through the HELP  
25 advisory committee.

1 CHAIRMAN SCHORR: Is there a motion?

2 MR. TRAVIS: Motion.

3 CHAIRMAN SCHORR: Motion by Mr. Travis.

4 MS. LUNDSTROM: Second.

5 CHAIRMAN SCHORR: Seconded by Ms. Lundstrom.

6 Any questions or comments? All in favor say aye.

7 ALL BOARD MEMBERS: Aye.

8 CHAIRMAN SCHORR: Passed unanimously.

9 MR. McGEE: Item 14. This is also a  
10 resolution regarding accepting and approving a HELP  
11 application in this case from Maricopa County. It also  
12 authorizes a loan repayment agreement. The loan in this case  
13 is for \$25.7 million. This is one of the larger loans we have  
14 done in recent years. The term of the loan would be for five  
15 years. The loan will be used to help fund major upgrades on  
16 Maricopa 85 between 75th Avenue and 107th Avenue.

17 This is a very important project for the  
18 southwestern region of the valley as it will  
19 ultimately help alleviate some of the congestion on Interstate  
20 10 in that area. Again, this loan request did go to the  
21 advisory committee and was unanimously approved. Because of  
22 the size of this, we have folks here from Maricopa County if  
23 there are any questions with respect to the project itself and  
24 I would recommend adoption of the resolution.

25 CHAIRMAN SCHORR: Any questions or comments?

1 A motion will then be in order.

2 MR. ZUBIA: I will make a motion to pass.

3 MR. FELDMEIER: Seconded.

4 CHAIRMAN SCHORR: All in favor say aye.

5 ALL BOARD MEMBERS: Aye.

6 CHAIRMAN SCHORR: Any opposed? Motion  
7 granted.

8 MR. ZUBIA: Given the expansion of the I-10  
9 widening of the 101 down to Centerville, I'm assuming, maybe I  
10 shouldn't assume, but I am assuming the timing of the  
11 construction and narrowing down on Highway 85 will not be  
12 detrimental to the traffic flow on 85 as it relieves I-10? I  
13 don't want -- I don't think this should be necked down to one  
14 lane on 85 while I-10 is necked down to one lane also.

15 MR. McGEE: There are some folks here from  
16 Maricopa County who can address the scheduling. My  
17 understanding is that our project is already underway. My  
18 understanding is the actual construction on 85 won't take  
19 place for I think a couple of years. John Hoskins is here.  
20 He might be able to address that.

21 MR. HOSKINS: Mr. Chairman, members of the  
22 board, we are very pleased to be here and explain this issue.  
23 What we are planning to do with the funds available, if you  
24 make them available to us today, is use those funds to  
25 accelerate right of way acquisition in the MC85 corridor. It

1 will take about two years to actually acquire the properties  
2 that we need before we can perform the widening. And so it  
3 will accelerate the project but it won't accelerate it to  
4 where it will be concurrent with the I-10 widening project.  
5 So we will work closely with ADOT and our friends at ADOT and  
6 the folks that are involved in the I-10 widening to make sure  
7 that we do not unduly restrict traffic. After all, the  
8 purpose of this project is to facilitate traffic flow through  
9 that critical portion of the valley.

10 CHAIRMAN SCHORR: I appreciate the  
11 explanation. That is helpful.

12 MR. ZUBIA: John, a couple other questions  
13 with regard to the HELP Loan. Did I see a HELP Loan  
14 previously with the City of Peoria, was that last month? For  
15 accelerating I think it was the 75th Avenue-Loop 101? Maybe  
16 that was MAG that I saw that come forward on. I'm mixing up  
17 my agendas here. You mentioned earlier about putting a  
18 moratorium on HELP Loan requests after the actions here today.  
19 I knew that was coming up if it hadn't already been here. Are  
20 you familiar with that request?

21 MR. MCGEE: Yes, I am. That loan is going  
22 through the MAG process. I'm guessing that's where you heard  
23 it. It has been through the advisory committee process and I  
24 believe we should be able to accommodate that loan also since  
25 it had been through the advisory committee. Once it gets

1 through the advisory committee, I believe we will still be  
2 able to do that loan. But in terms of initiating any new  
3 loans, I believe it will be prudent not to move forward.

4 MR. ZUBIA: On that issue then, will you be  
5 coming back to the board at a later date to propose a policy  
6 for a term of moratorium or something that the board would use  
7 as a guide?

8 MR. McGEE: Mr. Chairman, Mr. Zubia, we  
9 certainly can do that. We can actually prepare a resolution  
10 of the board directing staff to put a moratorium on new loans  
11 for some period of time.

12 MR. ZUBIA: That might be prudent only so that  
13 there is not any question of favoritism and everybody gets  
14 treated the same as things go forward.

15 MR. McGEE: Absolutely. We can do that.

16 CHAIRMAN SCHORR: Thank you.

17 MR. MENDEZ: Maybe it is a technicality but  
18 just so we have it on the record, the gentleman that spoke on  
19 behalf of the Maricopa DOT is Mr. John Hoskins who is the  
20 director of Maricopa County DOT. We need to have that for the  
21 record.

22 CHAIRMAN SCHORR: Thank you. The next item is  
23 item 16, aeronautics loan committee. Mr. Dick.

24 MR. DICK: Thank you, Mr. Chairman, members of  
25 the board. Due to their continuing work with pending

1 legislation, the Williams Gateway Airport Authority has asked  
2 that we table this agenda item. The staff recommends the  
3 tabling of agenda item 16.

4 CHAIRMAN SCHORR: Thank you. Is there a  
5 motion to that order?

6 MR. HOUSEHOLDER: I move for the motion.

7 MR. FLORES: Seconded.

8 CHAIRMAN SCHORR: So moved by Mr. Householder  
9 and seconded by Mr. Flores.

10 MR. FELDMEIER: One quick comment, to be  
11 brought back at a specific point in the future or leave this  
12 in limbo?

13 MR. DICK: If Williams Gateway Airport  
14 Authority is successful in amending the legislation as they  
15 would like, then I'm sure we will bring this back for  
16 consideration.

17 MR. ZUBIA: I asked a question on the bill  
18 that dealt with aviation. I think that's what this is  
19 referring to.

20 MR. FELDMEIER: Okay.

21 CHAIRMAN SCHORR: All in favor say aye.

22 ALL BOARD MEMBERS: Aye.

23 CHAIRMAN SCHORR: Any opposed? Carried and so  
24 ordered. The next item is an update on the Mariposa Airport  
25 Funding, item 17.

1 MS. LEWIS: This is a brief update on the  
2 funding for the Mariposa port of entry. As you may remember,  
3 the funding for that port of entry was taken out of the  
4 general services administration budget of the federal  
5 government. It was funding that we had counted on and have  
6 been working very hard with the federal government for some  
7 time to make sure that money was in fact included in the GSA  
8 budget. We had assurances that it would be.

9 And then there was a decision made by the  
10 Department of Homeland Security to seek a headquarters  
11 building and basically the money for the headquarters building  
12 in D.C. ate up a lot of the port of entry funds that would  
13 have been spent by GSA. So as a result, all of the funding  
14 for the upgrades at the port and really the new port at  
15 Mariposa were taken off the table for this year. The board  
16 did pass a resolution encouraging that these funds be put back  
17 into the federal funding stream. We have been talking with  
18 the members of our congressional delegation about putting the  
19 money back in as has the board of trade alliance and the  
20 Arizona-Mexico Commission.

21 So far we have all been unsuccessful, but we  
22 are going to continue to lobby this issue and work closely  
23 with the community in Nogales and Santa Cruz County to try and  
24 keep it on the agenda. Unfortunately, we are at a place in  
25 the funding process, the preliminary work has been done, so



1 partial funding doesn't really help us out very much at this  
2 point if we are going to actually begin to construct, we sort  
3 of need to go ahead with the full amount. Frankly, this year  
4 that is just starting to look very unlikely. So we may have  
5 to continue working with the congressional delegation to try  
6 and make sure this is in the budget for next year and wait and  
7 see how that plays out. But we will continue to work on it  
8 quite aggressively, Eileen and our staff and the D.C.  
9 lobbyists. If there are any questions, I would be happy to  
10 address them.

11 CHAIRMAN SCHORR: Any questions of Gail from  
12 the board? Thank you. The next item is item number 19, the  
13 I-10 bypass. Let me repeat for the benefit of those of you  
14 who may have come in since the meeting started what the order  
15 of business will be with respect to that item. As you can  
16 see, we have a large agenda. We have other items on the  
17 agenda of equal importance.

18 So we have asked that all those people who  
19 wish to speak to keep their comments brief so that we can  
20 complete the agenda. I have received many speaker slips. A  
21 number of them do not pertain to the bypass. And as to those  
22 speaker slips, they will be entertained at the end of our  
23 meeting under the call for the audience. We will take public  
24 testimony after the staff presentation. Due to this length of  
25 the agenda and the number of the slips which we have received

1 and are continuing to receive, we ask that groups select a  
2 representative. If there is a representative, that  
3 representative will have five minutes to speak. If a speaker  
4 is speaking in their individual capacity, they will be limited  
5 to three minutes. We are going to have to set a cap of 45  
6 minutes for these presentations so we would encourage speakers  
7 who represent more than themselves to speak first.

8 If those speakers who do not get the  
9 opportunity to speak at this time, they will have the  
10 opportunity to address the board at the call to the audience  
11 at the end. The first order would be to hear from our  
12 consultant and I will turn it over to Mr. Mendez.

13 MR. MENDEZ: Our planning transportation  
14 director Rakesh will handle the item.

15 MR. TRIPATHI: Mr. Chairman, members of the  
16 board, the I-10 bypass study, the presentation, while Dave  
17 French is getting ready to make the presentation, I would like  
18 to give a little introduction. The I-10 bypass study is  
19 basically a big picture study, a 30,000-foot examination of  
20 challenges and also the opportunities. And I call the study  
21 as the start of the conversation that we are having in terms  
22 of looking at this corridor. And what a great conversation we  
23 have had with our great public.

24 I brought with me two big folders probably  
25 containing more than a thousand pages of public comments that

1 we have clearly heard the public. I did not make six copies  
2 for you. Considering our environmental sensitivities, we  
3 don't want 7,000 pages of items.

4 And with tremendous gratitude, we read those  
5 comments because people have taken their time out and written  
6 those. And with tremendous gratitude, we look at folks behind  
7 us who have taken the time out to come and speak. So this is  
8 a start of the conversation to develop a major corridor. It  
9 is a long process. It's a 10- to 15-year process. Do we have  
10 perfect data? No, we don't. Do we have perfect solutions?  
11 No, we don't.

12 But somewhere we have to start a conversation  
13 with our public into looking at solutions for various  
14 corridors that 50 years down the road might be an issue and  
15 that somehow we are not envisioning it at this point. So with  
16 that introduction, I would like to invite Dave French from URS  
17 Corporation to come and give a brief presentation.  
18 Mr. French.

19 MR. FRENCH: Mr. Chairman, members of the  
20 board, thank you for this opportunity to present on the I-10  
21 bypass. We have presented in December our findings to the  
22 board in the public meeting in Oro Valley so today we are  
23 going to give just a quick synopsis of the process we went  
24 through and paraphrase of what we have heard from the public,  
25 stakeholders we have dealt with throughout the process and

1 give a few suggestions of where we might go from here.

2                   The study began in April of 2000. We had four  
3 public meetings held in May. We had 42 stakeholder interviews  
4 of various agencies and organizations. We had a field tour  
5 hosted by the Nature Conservancy in September. We presented  
6 our preliminary findings at a board study session held here in  
7 Tucson in early November. Then we followed that with seven  
8 public meetings held in late November and early December and  
9 then presented our findings to the board in a public meeting  
10 held in Oro Valley in late December.

11                   Our final report was submitted in early  
12 February and here we are to present the summary of what we  
13 have heard and where we think we should go from here. We had  
14 a technical advisory committee that worked with us throughout  
15 the study represented by three councils of governments,  
16 Federal Highway Administration and ADOT and that group met  
17 five times during the study process. Again, just to reiterate  
18 our mission was to make a preliminary assessment of the need  
19 for and feasibility of a new transportation corridor that  
20 would provide an alternative to I-10.

21                   So to that end, we worked through an interview  
22 process to identify a series of corridors that we believe  
23 could meet that need and that we believe that these corridors  
24 are all feasible and met most all of the criteria that we  
25 identified. The need for the corridor is based on the future

1 growth of Arizona.

2 And I attended a session held here in Tucson  
3 yesterday, about four hours of presentations from agencies and  
4 private institutions talking about the future growth of  
5 Arizona. And they believe it's real, they believe it will  
6 occur, and they believe we better plan for it now or else we  
7 will have a mess in several decades.

8 The public meetings we held in late November  
9 and December where we presented our preliminary findings were  
10 very well attended. 635 people attended here, including 200  
11 people here in the Tucson public meeting.

12 The comments that we received formally, 120  
13 comment forms that were handed out at the public meetings were  
14 returned at those meetings. 48 were mailed in later. 174  
15 electronic comments were received through the ADOT website.  
16 29 letters were submitted to ADOT from various organizations  
17 and agencies and individuals. 26 emails from individuals and  
18 almost a thousand emails generated from the Defenders of  
19 Wildlife. All of those have been documented in the continuum  
20 of reports that were mentioned earlier, two big volumes about  
21 this thick. So the comments we have received are well  
22 documented for everyone's review.

23 So some of the, real quickly, to paraphrase of  
24 what we have heard, there was some support expressed for those  
25 east-west routes through central Pinal County and also for the

1 route which stayed west of I-10 and comes down through the  
2 Eloy and Marana-Avra Valley area and around south of Tucson.  
3 Some of the routes that there were strong objections to were  
4 routes L and K through the San Pedro and Arivaca Valleys and  
5 also to corridor H through the Avra Valley. Some solutions  
6 suggested by the public and agencies were to concentrate more  
7 on rail and light rail and other mass transit, to conserve  
8 more, to focus your improvements on I-10, even double-decking  
9 it if necessary.

10 On our comment form handed out at all the  
11 public meetings, we asked the question do you think additional  
12 studies should go forth on this issue. Of those, 105 said  
13 yes, we should do some additional study. 142 said they were  
14 opposed to additional studies. So about 60 percent were  
15 opposed, about 40 percent said we should proceed with  
16 additional study.

17 There were 29 letters submitted. This is  
18 consisting of two slides of those. I won't read all of those  
19 agencies, mostly agencies and organizations. And I will say  
20 that most of those letters were in opposition to one or more  
21 of the corridors. Some of the key themes that we heard,  
22 Safford and Willcox are both in support of the idea of a new  
23 transportation corridor and they would like to be served by  
24 that corridor. It may be difficult to serve both by one  
25 single new corridor.

1 Cochise County indicated that they were  
2 opposed to a new corridor in San Pedro Valley. Pima County  
3 passed a resolution against an I-10 bypass corridor in Pima  
4 County. Some of the reasons were the adverse impact perceived  
5 on the wildlife mitigation corridors and crossings and  
6 migration routes, that new corridors could promote urban  
7 development in areas that they think should be preserved.  
8 That the proximity of a new corridor to some of the existing  
9 preserve lands like national forests could be detrimental;  
10 that a new corridor could encourage urban development in  
11 currently rural areas and thereby disturbing the rural  
12 lifestyle and perhaps taking out some agricultural lands  
13 although I might mention that for the most part the new  
14 corridor could be built to a large degree on state trust  
15 lands.

16 There was concern about the high cost of the  
17 corridor relative to its perceived benefit and that there is  
18 no funding currently identified for this corridor which of  
19 course is normally the case when you are in the very, very  
20 early planning stages of a possible new transportation route.  
21 The funding will come later. Some people questioned that the  
22 growth would not take place and therefore the need might not  
23 materialize. The lack of water would slow the growth. The  
24 limitation on petroleum would limit the growth in traffic and  
25 that global warming could change everything.

1                   At the December public meeting held in Oro  
2 Valley, nine speakers were heard and listed here and those  
3 speeches were recorded and a real, real quick paraphrase of  
4 what we heard there, the construction cost of the bypass is  
5 too high. There is no need for the facility. The bypass will  
6 create unwanted growth. There would be negative impact on  
7 fragile ecosystems. Wildlife and environment will be  
8 compromised. Archeological sites could be threatened. One  
9 was not included, SEAGO. They were, in fact, included as a  
10 stakeholder and that we should concentrate on rail as an  
11 alternative and use a multi-modal approach. So that is a real  
12 quick paraphrase of what was presented at the public hearing.

13                   So what are some of the next steps? A lot of  
14 what we heard is let's focus on I-10. Let's get it widened  
15 and improved as much as possible. And I think we all agree  
16 with that and ADOT is working hard to plan, design and  
17 construct improvements to I-10 as we speak. To also complete  
18 the State Route 85 I-8 bypass which is under construction now.  
19 Also to focus on U.S. 60 and U.S. 70 from Superior to Globe to  
20 Safford and to the New Mexico border and ADOT has some studies  
21 ongoing on that route as well.

22                   Some of the basic findings are that the  
23 expected growth in the Sun Corridor where we currently have 6  
24 million people in Arizona and the projections are for that to  
25 go to 10, 12, maybe 14 million new people over the next few



1 decades. That is what is creating the need to plan for some  
2 new transportation corridors that will be absolutely necessary  
3 if we achieve anywhere near that kind of growth. And we need  
4 to select those corridors in the next few years and preserve  
5 them so that they are available when the need does in fact  
6 materialize and the funding becomes available to proceed with  
7 a new transportation corridor.

8 All of the identified corridors that we showed  
9 earlier meet one or more of the feasibility and purpose  
10 criteria. All but one avoid all the existing preserved land,  
11 H, there is a conflict with the Tucson mitigation corridor for  
12 about a two-mile stretch. That I don't view as a fatal flaw.  
13 It certainly is a flag that has to be dealt with if that  
14 corridor is to be looked at further.

15 Several corridors generated extensive  
16 controversy in the San Pedro Valley, the Avra Valley and the  
17 Arivaca Valley. Some actions needed to move forward. We  
18 found that there was a serious lack of good traffic data on  
19 the flows of traffic through Arizona, how much traffic is  
20 passing through Arizona and not needing to stop; how much  
21 traffic is passing through Tucson to go to Phoenix; or passing  
22 through Phoenix to go to Tucson. We don't have a good handle  
23 on that information so more is needed to really study this  
24 route in-depth. Also, better traffic forecasting, the work  
25 that ADOT is doing with the framework study statewide,

1 developing a statewide traffic model, this may provide a lot  
2 better information that could be utilized in further assessing  
3 the need for and where to put a new corridor.

4 Any further work should be closely coordinated  
5 with the councils of governments, the cities and the counties,  
6 because transportation is driven by land use decisions and  
7 those land use decisions are made locally. The State Land  
8 Department with the huge block of state trust lands that exist  
9 in southern Arizona will be a major player through that and  
10 should be brought to the table as well. So that concludes my  
11 remarks, Mr. Chairman. I will be happy to answer any  
12 questions that you might have.

13 CHAIRMAN SCHORR: Any questions of Dave  
14 French? If not, we are going to take a five-minute break and  
15 we will resume.

16 (A short recess was held.)

17 CHAIRMAN SCHORR: Our first speaker is Sean  
18 Sullivan, cochair of the Sierra Club Rincon Group. Mr.  
19 Sullivan?

20 MR. SULLIVAN: Hello, Mr. Chairman, thank you  
21 for the opportunity to speak. My name is Sean Sullivan, 738  
22 North Fifth Avenue in Tucson, Arizona. I'm speaking on behalf  
23 of the Sierra Club. We have over 3200 members in southern  
24 Arizona and over 14,000 statewide. I am here to recommend  
25 that this process looking at these various corridors be

1 stopped. It is a waste of taxpayers' money to continue doing  
2 these studies. The gentleman earlier said we need to plan for  
3 growth and growth is real and it is happening right now. And  
4 I do believe we need to plan for growth. We need to start for  
5 planning for growth in a better way. We need to plan and look  
6 at how much water we have and see how many people that can  
7 sustain which will drive how many people can actually  
8 sustainably live here.

9 We need to protect ecologically sensitive  
10 areas and not run highways through them. We need to protect  
11 revenue from ecotourism which brings billions of dollars a  
12 year to the State of Arizona and hundreds of millions to  
13 Southern Arizona. And we need to protect the quality of our  
14 land, water and air.

15 Punching through additional interstates  
16 through unbroken areas and undisturbed areas will negatively  
17 impact all of these things. It is time to remove blinders and  
18 plan in a better way. We need to utilize existing corridors  
19 and plan for the use of rail, both commuter and cargo. We  
20 cannot continue to rely on individual vehicles for  
21 transportation purposes. This type of planning is archaic and  
22 needs to be left in the last century.

23 Finally, one of the staff members said that  
24 this is not something that is going to happen today. It might  
25 happen 50 years from now but it is not a good idea for today

1 and it will not be a good idea 50 years from now. I urge to  
2 drop this study and look at more progressive ways to  
3 facilitate transportation. Thank you.

4 CHAIRMAN SCHORR: Thank you. The next speaker  
5 is Representative Tom Prezelski.

6 MR. PREZELSKI: Thank you, Mr. Chairman. I'm  
7 state representative Tom Prezelski. I reside at 343 South  
8 Convent Avenue, Tucson, Arizona and I'm the ranking democratic  
9 member of the House Transportation Committee. I just wanted  
10 to talk about a few things that disturbed me about the study.

11 First of all, the media has picked up on this  
12 idea that the study says that the bypass is both needed and  
13 feasible. And I think those of us who have worked with  
14 engineers know that feasible means something a little  
15 different to engineers than it does most of us. I don't think  
16 you can ever tell an engineer that a given project is not  
17 feasible. If it involved a punching a hole in the Santa  
18 Catalina Mountains, they would say it is feasible, but they  
19 would just say it is also very expensive. And this project as  
20 the study points out is potentially very expensive and there  
21 is absolutely no explanation about where the resources to do  
22 this would come from, some \$6 to \$8 billion dollars.

23 I was a little annoyed that the study  
24 dismissed the idea of freight rail. Very quickly, currently,  
25 Union Pacific is double-tracking its tracks through southern

1 Arizona and we know that a single rail car could potentially  
2 take 300 trucks off the road and we know that this entire  
3 project and need for this idea is driven by the need to  
4 transport freight through southern Arizona and there was no  
5 really adequate investigation into what those freight needs  
6 are and into whether or not the improvements that the railroad  
7 is currently making will address those freight needs.

8               So I think pursuing in the way we are pursuing  
9 it is a little immature until we actually have data. I  
10 thought it was very interesting that one of the slides you  
11 showed in this very meeting basically said we don't really  
12 have adequate data as to what the full traffic needs are along  
13 the I-10 corridor. So we certainly need to look at that  
14 before we go further.

15               Also, we are getting to the point where  
16 driving may be prohibitively expensive, particularly  
17 transporting freight. I think right now using trucks for  
18 freight is only economically feasible because there isn't  
19 enough capacity on the rails. So we do really have to look  
20 into a multi-modal solution into one of our problems. I was a  
21 little disturbed that one of the slides misspelled the word  
22 multi-modal. I'm not sure if that bodes ill for looking at  
23 multi-modal solutions by ADOT. But I know that ADOT has staff  
24 that is looking into rail and staff that is looking into  
25 transit. And these are all things we need to look at. I

1 simply don't picture us having the resources to ever do this  
2 project. I mean, outside of the environmental and cultural  
3 impact this project would have, and other people will address  
4 that, I really think we have to start being more creative as  
5 to how to address these problems because we simply don't have  
6 the resources to always address these problems simply by  
7 expanding the freeway system. Thank you.

8 CHAIRMAN SCHORR: Thank you. Mr. Jon Sjogren?

9 MR. SJOGREN: I appreciate your time. I'm Jon  
10 Sjogren, 110 West Meadowbrook Drive. The San Pedro and  
11 Aravaipa routes do not satisfy the I-10 bypass criteria.  
12 First of all, these routes would not significantly reduce  
13 Tucson traffic. The final report states that these routes  
14 will reduce Tucson traffic by only seven percent in the year  
15 2030. This reduction would be less than five percent based on  
16 the Pima Association of Governments Traffic Forecast.

17 Second, San Pedro and Aravaipa routes would be  
18 unjustifiable and unacceptable shortcuts. The savings of only  
19 four to ten percent would not justify the enormous social,  
20 environmental, economic and financial cost of these routes.  
21 Furthermore, almost all of the public meeting attendees think  
22 that there is no savings great enough to justify a highway in  
23 these rare and treasured areas for which Arizona is renowned  
24 and loved. In a November 29 meeting in Tucson, Mr. Buskirk  
25 estimated that 95 percent of the public meeting attendees were

1 opposed to these bypasses. The final report shows that even  
2 the truckers don't want these routes.

3 Third, San Pedro and Aravaipa routes would be  
4 ineffective and unnecessary alternatives to I-10. Because  
5 these routes would be accessed through Willcox and Casa  
6 Grande, they would not serve the congested urban segments of  
7 I-10 where incidents and severe traffic disruption are most  
8 likely to occur. It is also important to realize that an  
9 emergency alternative route to I-10 already exists consisting  
10 of U.S. Highways, 191, 70 and 60 which essentially is one of  
11 the original routes proposed for the bypass.

12 Finally, a route through the San Pedro or  
13 Aravaipa would cause much more growth than it would serve.  
14 The need for this route is unproven and cannot be proven with  
15 population projections. These projections only consider past  
16 conditions to predict the population of a future Arizona that  
17 will have very different and unpredictable conditions. Please  
18 remember that no matter how they are packaged, population  
19 projections are just guesses. The projected 2050 Arizona  
20 population is of 16 million is a guess based only on past  
21 rates of birth, death and migration. Some might bet on this  
22 guess because they believe that Arizona's explosive growth  
23 will continue for more than 40 years but with a future that  
24 includes limited resources, war, death and climate change,  
25 that is not a good bet. Population should not be used to

1 justify any bypass route. Thank you.

2 CHAIRMAN SCHORR: L.J. Allen.

3 MR. ALLEN: Thank you for giving me the  
4 opportunity to speak. My name is L.J. Allen and I speak in  
5 favor of the bypass. Currently, Tucson has a population of  
6 over one million people. We cannot simply do nothing about  
7 it. Something has to be done soon and now. I realize that  
8 there are areas that are more sensitive than other areas but  
9 we just can't do nothing about it. Now, there was one route  
10 over here on the west side of the Tucson Mountains called the  
11 Avra Valley corridor. That will serve Tucson better than any  
12 of the other corridors that were represented. But we just  
13 can't sit here and do nothing about it. Tucson has a  
14 population that is not going to shrink. It's going to  
15 continue to grow. So someone here needs to have the guts to  
16 do something about it and get one of these bypasses built.  
17 Thank you. That is all I have got.

18 CHAIRMAN SCHORR: Mr. Randy Serraglio.

19 MR. SERRAGLIO: I represent the Center for  
20 Biological Diversity. I live at 1715 East Silver here in  
21 Tucson. I read the study and the first thing I would like to  
22 do is correct the record. There a little chart in there with  
23 a list of groups. And it has a column that says whether or  
24 not the group opposes the concepts and which corridors they  
25 could live with and which ones they can't. For some reason,



1 despite the fact that I made it very clear in the letter that  
2 I sent to you folks, the Center for Biological Diversity is  
3 listed as not completed as if we don't know what we think  
4 about this. So let me just say it right now, we are opposed  
5 to all of the corridors and we think the concept itself is  
6 unnecessary, not feasible and really actually kind of  
7 shortsighted and ridiculous. So like Representative  
8 Prezelski, I was struck by the confusion that consultants  
9 often have between what is technically possible and what is  
10 feasible. It would be technically possible for me to scare up  
11 a billion dollars, seize control of the Arizona Diamondbacks  
12 and insert myself as the pitcher on opening day. But that is  
13 not really feasible, is it? It's not going to happen, is it?

14               Some of the specific things that jumped out at  
15 me, you know, they suggested that Avra Valley was really the  
16 only route that actually provides an alternate route which is  
17 one of the goals of this proposal. But the problem was that  
18 it doesn't serve another goal. That is actually longer and it  
19 takes more time to go that way. So the study actually made  
20 the suggestion, you know, that the way to solve this little  
21 conundrum would be to build two routes, one in Avra Valley and  
22 one way out in the middle of nowhere. And you know, you have  
23 got one corridor that doesn't serve the purpose and you have  
24 got some others that don't either and you don't have the money  
25 anyway, so what the heck, let's spend twice as much money and

1 build two of them. This is the way consultants think of these  
2 things. And of course, everybody that has responded to this  
3 study in the negative is thinking of it in a completely  
4 different way.

5                   There is another thing in there that said  
6 state trust land along the way, a lot of it is going to be  
7 developed anyway so we might as well put a road through there.  
8 But I would say again, that is not true. I would say that  
9 most of the state trust land in Arizona is going to stay  
10 undeveloped for a long time. It's either going to remain as  
11 grazing lands or it's going to be protected eventually. In  
12 the environmental section, there were statements that design  
13 features could be included that would actually enhance these  
14 sensitive areas where they will put the road through. That  
15 one really just kind of left me blank. I couldn't understand  
16 how that could ever happen when you have got 200 foot cuts,  
17 you have got tall bridges with piers. How could you ever  
18 enhance a wild area with construction like that? I don't  
19 know.

20                   Lastly, was this gem here. The adopted land  
21 use plans show that there is not really growth in a lot of  
22 these areas where these rural corridors are. And, you know,  
23 these plans could change. And the quote is if a new highway  
24 were to be proposed, local jurisdictions and counties may view  
25 future land use in these corridor areas in a different light.

1 I can't think of a better example of the cart pulling the  
2 horse. It is exactly what we are talking about is that you  
3 build a road out there and you are not planning for growth.

4 CHAIRMAN SCHORR: Sum up, please.

5 MR. SERRAGLIO: The summary is this, that the  
6 people who object to this proposal and don't see any logical  
7 conclusions emerging from this study have a different vision  
8 of the future that involves 21st century solutions, not  
9 backward-thinking 20th century ideas.

10 CHAIRMAN SCHORR: Thank you. Next speaker is  
11 supervisor Paul Newman from Cochise County.

12 MR. NEWMAN: Thank you, Mr. Chairman, board  
13 members. I wanted to say a few things. This is my first time  
14 having some time to address the board on this issue of the  
15 I-10 bypass. I have actually had a few meetings with the  
16 chairman and I thank him for graciously granting me those  
17 meetings. As your summary noted, the entire board of  
18 supervisors is only three of us but we unanimously voted many  
19 months ago against the San Pedro corridor bypass route.

20 There are a number of reasons why we did that.  
21 There was a resolution that I have with us, with me today. I  
22 won't read it again. I will just paraphrase some of the ideas  
23 in the resolution because I think you have it in your packet  
24 and I would ask you to read it again before you take any  
25 action.

1 I'm representing Cochise County, representing  
2 the board and I am also representing the approximately 130,000  
3 to 140,000 citizens that live in Cochise County who for the  
4 most part are utterly opposed to the San Pedro corridor. And  
5 I add to that the Aravaipa corridor as well. We are the  
6 stewards for Cochise County. We are the stewards for this  
7 incredibly beautiful area of 62,000 square miles. This is an  
8 untouched area that you are talking about. This is one of the  
9 last riparian areas in the state and has a history in the last  
10 50 to 80 years since territorial days, we have destroyed so  
11 many of our riparian areas. I don't buy that we need to have  
12 a freeway going to one of the last riparian areas in the state  
13 where a lot of people are spending hundreds of millions of  
14 dollars to protect that area.

15 We in Cochise County stand for smart growth  
16 and sustainability. We are not an active managing area like  
17 other urban areas in the state. We are on our own and water  
18 is very, very important. So when you put a freeway through  
19 these areas of northern Cochise County, growth will come and  
20 the supervisors have very little tools to stop that growth.  
21 Mr. Feldmeier, you know that for a fact, that the counties  
22 have very little ways to stop the growth once a freeway comes  
23 through. You build that freeway, growth will come. The  
24 county supervisors can't stop it and Cochise County becomes  
25 Pinal County in terms of growth without the water. This is

1    how important this is.

2                   I also support as some of the other speakers  
3    have a multi-modal approach. I was an attendee at the Arizona  
4    Town Hall, one of the first ones on growth. And I am very  
5    much aware of how the population is going to grow in Arizona.  
6    I was asked to be one of the people planning on future growth.  
7    And what I can tell you is that the recommendations from that  
8    town hall were for the transportation officials to look at  
9    multi-modal solutions.

10                  I agree that freight, I am very supportive and  
11    many people I know are very supportive of a passenger route  
12    from Nogales to Tucson to Phoenix and to Flagstaff. And I  
13    will conclude, Mr. Chairman. I know I'm a little bit over  
14    time. I am not going to read the parts of the resolution. I  
15    will just ask you to read the resolution. Finally, the whole  
16    proposition for the San Pedro, all the corridors, it just  
17    doesn't make sense from a cost-benefit analysis. \$6 to \$8  
18    million dollars is the projection now. It could grow more.  
19    As we all know, costs are growing. Half of that money spent  
20    could be spent on multi-modal solutions and you will be  
21    pleasing so many more people. As far as taxation, which has  
22    not been addressed, we are talking about in order to fund  
23    this, ten more cents on the gas tax, state, and another 10  
24    cents, perhaps 20 more cents to build a road that is not  
25    needed that will ruin a beautiful, pristine riparian area. I

1 might remind the board that the San Pedro Valley and the San  
2 Pedro River is on one of the last remaining free-flowing  
3 rivers in the southwest. It's very special for biodiversity  
4 reasons and I echo some of the speakers when they said that  
5 ecotourism is a big part of the economy and big part of the  
6 Cochise County economy. That is all I have, board members.

7 I also have a letter that was written by  
8 Mr. Ortega who used to work for the Department of  
9 Transportation as the chief engineer. It goes to the comments  
10 to the Five-Year Plan. I would like to submit that letter and  
11 the resolution and I thank you for your time.

12 CHAIRMAN SCHORR: Next is Trevor Hare.

13 MR. HARE: Thank you, Mr. Chairman. My  
14 handwriting isn't too clear. I apologize. Mr. Chairman,  
15 members of the board, I'm a conservation biologist with Sky  
16 Island Alliance. We were one of the 42 interviewees by URS at  
17 the beginning of this process. I will reiterate some of those  
18 comments. I also represent the Coalition for Sonoran Desert  
19 Protection. The coalition is a membership group of about 40  
20 conservation and neighborhood organizations in Pima County.  
21 We have over 40,00 members. We have been working very hard  
22 over the last ten years with Pima County to make sure that  
23 that Sonoran Desert Conservation Plan is the best that it can  
24 be and that Avra Valley route cuts really right through the  
25 middle of the Sonoran Desert Conservation Plan.

1                   As a conservation biologist with Sky Alliance,  
2 my volunteers, over 500 of them and 2,000 members of Sky  
3 Alliance have put thousands and thousands of hours in the area  
4 of working with the Bureau of Land Management, with the Forest  
5 Service and Nature Conservancy and private landowners both in  
6 the Aravaipa Valley and in the San Pedro Valley.

7                   The bypass will destroy habitat, watersheds  
8 and will fragment the landscape. For an example, a mountain  
9 lion who lives in the Pinaleno Mountains or the Galiuro  
10 Mountains on either side of the San Pedro River or either side  
11 of the Aravaipa Valley has a home range of about 400 square  
12 miles. Each of those mountain ranges have got about 150  
13 square miles. That mountain lion has to get across. So I say  
14 please say no to any further planning for these routes in  
15 rural and study other ways to get people around this state.  
16 Thank you. On an unrelated note, you guys are talking about a  
17 bunch of money here today and I just want to kind of put this  
18 on your radar screen. You have to start thinking about  
19 putting about one to five percent of all projects costs toward  
20 wildlife considerations, crossing structures, fencing, keeping  
21 animals off of roadways. Thank you.

22                   CHAIRMAN SCHORR: Daniel Patterson.

23                   MR. PATTERSON: Thank you, Mr. Chairman,  
24 members of the board. My name is Daniel Patterson. I'm here  
25 in two voices. One is I serve on the City of Tucson planning

1 commission as appointed by the mayor and council trying to  
2 promote smarter growth here and around Tucson and I am also  
3 the southwest director of Public Employees for Environmental  
4 Responsibility. We are a national, state and local alliance  
5 of environmental public health and national resource  
6 professionals. I will echo a lot of the comments here that  
7 have been said earlier and I want to challenge this commission  
8 to really reject this bypass boondoggle. It is not the right  
9 thing to do. It's hugely expensive during a time when our  
10 state is facing a massive budget problem and we can do better.  
11 We have billions and billions of dollars going into road  
12 projects and pennies going into other types of transportation  
13 that we are really going to need.

14                   It is up to you as leaders on transportation  
15 for our state to really start taking a look at how are we  
16 going to get around in the future when facing \$110 barrel of  
17 oil. And we are very concerned because when reading the  
18 feasibility study, there is something missing and there is  
19 something just not being said as a part of this process. The  
20 way we see it is that this is not going to relieve traffic.  
21 It is not likely to be the route that truckers are very likely  
22 to use. What this is an attempt to build highways, to  
23 stimulate real estate speculation, to stimulate more  
24 development and urban sprawl and to stimulate massive sales of  
25 state lands for unsustainable development.



1                   And I got to say, I want to also acknowledge  
2 all of these great people here in the room who have sat  
3 through this which should have been number one on the agenda  
4 but unfortunately it was pushed to number 19. I do appreciate  
5 everybody waiting here on a workday and many people taking  
6 time away from that. Arizona is a great state. Let's not  
7 wreck it. We have big challenges in transportation. But  
8 these highway boondoggles will do nothing except serve real  
9 estate speculators and unsustainable development that  
10 jeopardizes our future, our quality of life for our kids and  
11 grandkids and those of us living there now. Let's not repeat  
12 the mistakes of traffic-choked, polluted places like southern  
13 California and let's kill this bypass boondoggle now. It is  
14 hugely expensive environmentally. We can't afford it  
15 environmentally. We can't afford it economically. I don't  
16 know that we need it. It is going to be hugely disruptive to  
17 wildlife, to open spaces and quality of life. And again,  
18 let's do better. Let's invest in rail and other ways for  
19 people to get around. This is a critical pressing issue of  
20 our time. And I challenge this board to look at a new way of  
21 transportation and kill this bypass proposal now.

22                   CHAIRMAN SCHORR: Next is Daniel Nelson.

23                   MR. NELSON: Mr. Chairman, members of the  
24 board. I am here representing the Arizona Game and Fish  
25 Commission. I just want to reiterate their opposition to this

1 project in southern Arizona and we recommend that you drop  
2 this project. Thank you.

3 CHAIRMAN SCHORR: Ms. Felicia Weinstein.

4 MS. WEINSTEIN: My name is Felicia Weinstein.  
5 I live at 623 North 10th Avenue. I oppose this because it's  
6 through wildlife and we have a fine nation so please don't  
7 build it.

8 CHAIRMAN SCHORR: Thank you. Donny Williams.

9 MR. WILLIAMS: Thanks for hearing me.  
10 Basically, if any of you decide to go through with not just  
11 this road but just further studies, you might as well just  
12 drop it now. You are not listening to people. I know you  
13 probably don't want to listen to any of us anyway. And you  
14 are not paid to listen to us. You are probably paid to line  
15 your friends' pockets.

16 CHAIRMAN SCHORR: I would ask you to refrain  
17 from making personal derogatory statements.

18 MR. NELSON: If you care about the State of  
19 Arizona and the people of the State of Arizona and the ecology  
20 of the State of Arizona and the future of the State of  
21 Arizona, I encourage you to go no further with this.

22 CHAIRMAN SCHORR: Thank you. Geoff Boyce.

23 MR. BOYCE: Geoff Boyce, 48 West 4th Street.  
24 I would like to address, first of all, your primary assumption  
25 and in echo of a previous commenter that the need for this

1 project is based on a projected increase in the Arizona  
2 population. And first of all, this is completely falsifiable.  
3 It is not based on logistic population growth and is therefore  
4 a completely non-ecological paradigm. And it is contrary to  
5 all form of scientific knowledge therefore and needs to be  
6 refuted as paltry and uninvestigative. The project does not  
7 address primary concerns of the public welfare, not just in  
8 Arizona but in the United States and all of the world in  
9 relation to transportation, these things such as climate  
10 change, peak oil and the imminent collapse of the financial  
11 sector as transport enabling entities. The project will  
12 create additionally cross sections through wild corridors  
13 having an adverse effect on species diversity and species  
14 migration. For these reasons, I don't support construction of  
15 the I-10 bypass because it is unfeasible and it is an  
16 unattractive investment with no real public benefit and  
17 doesn't support any public interest. Thank you.

18 CHAIRMAN SCHORR: Shiloh Valkosak.

19 MS. VALKOSAK: I am the outreach coordinator  
20 for the Ironwood National Monument. We are a 128,000 acre  
21 monument just west of Marana and I would just like to ask you  
22 to please bear with me. I'm not a public speaker. But this  
23 is an issue that is important enough to me that I will try to  
24 get over some of those fears. I would like to say that we  
25 cannot allow this conversation to disintegrate into arguments

1 over which of these routes is the least of the proposed evils.  
2 All of these routes have very, very significant consequences  
3 to our wild spaces and wildlife in Arizona. These are things  
4 we have to strongly consider.

5 I have been to four of these meetings and I  
6 can say that overwhelmingly the public consensus is that any  
7 route that goes through the San Pedro River Valley is  
8 absolutely -- it just should not be considered. But what we  
9 do also have to look at is the Avra Valley Route, the D and H  
10 route in particular, will go through some very ecologically  
11 sensitive areas as well. The D route specifically goes right  
12 along the eastern border of the Ironwood National Monument and  
13 goes through one of the most sensitive archeological areas in  
14 Arizona.

15 So I think that the public consensus is that  
16 here in the desert southwest, we are explorers. We are  
17 adventurers. And we have to look at what is really important  
18 not just to how we move around the state but our way of life  
19 and what we value in our lives. And I think the people of  
20 Arizona value wild spaces and wildlife. It is clear that  
21 those are things that are important to us. And I just would  
22 urge you to look at some of those numbers from the surveys. I  
23 went to four of those meetings and at each one of those  
24 meetings I heard two people speak in favor of any of these  
25 routes.

1           The forms that we filled out, the information  
2 you are getting is very misleading. Those forms did not have  
3 a place to put no route. They only said which is the least  
4 offensive route so people chose to mark the route that they  
5 were the least concerned about. So those numbers are very --  
6 the numbers are skewed so I would just please ask you to  
7 consider that. The public does not want any of these routes.

8           CHAIRMAN SCHORR: Thank you. Dick Basye.

9           MR. BASYE: Dick Basye, board member of the  
10 Pima Association of Taxpayers charged with looking at  
11 transportation issues. I would like to support those who  
12 opposed the Avra Valley route or the San Pedro Valley. I  
13 think they do destroy the environment in those areas.  
14 However, I think there is a need to look at a modified Avra  
15 Valley route. I have here a PAG approved plan for the future  
16 for enlargement of the Sandario Road from Marana down to Avra  
17 Road. I suggest you just hold enough right of way there in  
18 case it has to be upgraded. Not make a freeway out of it but  
19 just hold the right of way there in case all projections of no  
20 increase in traffic or with using rail don't come to fruition,  
21 then you can expand that as a freeway if it has to be in the  
22 future. If not, you keep it as a roadway. But that's already  
23 been approved. I would suggest then connecting that to the  
24 Old Vail Road which has already been approved as a major  
25 arterial as the Sandario Road segment being moved north out of

1 Sahuarita which doesn't want it down there and the \$600  
2 million that was going to be spent to build that road with no  
3 opposition, to my knowledge. All you need to do is then  
4 connect the San Joaquin Road between those two as the third  
5 leg. And that goes through the Indian reservation. That is  
6 the only crux that I have heard a few people say. The Indian  
7 nation doesn't want it. But up in Phoenix, they are running  
8 the Loop 101 freeway through the Salt River Reservation and  
9 the Gila Reservation. And this San Joaquin Road does get  
10 within virtual eyesight of all four casinos. Now, so far, the  
11 recently Indian nations have sought off-reservations casinos  
12 to get their casinos close to the patrons. Well, in this  
13 case, we would bring the patrons closer to their casinos. I  
14 can't see where they wouldn't find that to their benefit. So  
15 I would suggest an open public discussion with the Tohono  
16 O'odham Nation about the possibility of extending the San  
17 Joaquin Road. That creates a route that is much shorter, not  
18 70 miles that is presently planned, but only 50 miles, five  
19 miles further than the current route through downtown Tucson.  
20 If it was a slightly higher speed limit, then it would be even  
21 a little bit shorter for trucks to bypass downtown Tucson by  
22 going through that route and also be a bit shorter than going  
23 from Nogales up to Phoenix, the seven extra miles created by  
24 the one you have in planning now. So I would suggest looking  
25 at that with the Indian nation.

1 CHAIRMAN SCHORR: Thank you. John Kromko.

2 MR. KROMKO: My name is John Kromko, 717 North  
3 Avenue. And I want to say to the board that this study that  
4 you have paid for was pretty good but it doesn't accurately  
5 represent the feelings of the people. This is the third of  
6 these meetings I have been to. And I have to say at the first  
7 one I went to, your representative almost got lynched. It's a  
8 good thing they didn't have a rope. There weren't but three  
9 people out of hundreds who supported any route at all. So I  
10 need to tell you that. Okay?

11 It's just like here today. I know down the  
12 line this is going to be saying that a public hearing was  
13 held. But what it needs to say after that is that virtually  
14 every speaker was opposed to everything. So I come here and I  
15 hope that some day you guys will have the courage to turn the  
16 situation around. I hope that will happen. Is this bypass  
17 inevitable? Yes, it is because nobody has the political guts  
18 or the courage to make a clean break with what we are going  
19 through. You guys all have to see that each road widening  
20 represents a failure of the previous widening.

21 I'm trying to think of something I could say  
22 to you that you would hear and I wanted you to know that China  
23 just decided to construct 5,000 miles of high-speed rail in  
24 their country. This is, like, 300 mile an hour rail. Down  
25 the line, they are going to be kicking our butts economically

1 because of what we are doing here today. So a clean break is  
2 what is necessary, not another -- each failure makes the next  
3 failure inevitable and we need somebody with the courage to  
4 look at it differently. I hope I have said something that you  
5 can relate to. Thank you.

6 CHAIRMAN SCHORR: Thank you. We have an  
7 additional five minutes or so for our allotted 45 minutes of  
8 this phase of the hearing. Next speaker is David Omick.

9 MR. OMICK: Mr. Chairman, members of the  
10 board. my name is David Omick. I'm a ten-year resident of  
11 Cochise County and am speaking on behalf of the Cascabel  
12 Working Group. I would like to address some of the most  
13 fundamental assumptions on which URS is basing its projections  
14 of transportation needs for the timed horizons of 2030 and  
15 2050. The findings of acclaimed author and researcher Jarrod  
16 Diamond in his book Collapse which is a look at why societies  
17 succeed or fail can be summed up in one sentence, societies  
18 fail because they are not able to change their world view to  
19 accommodate changing circumstances.

20 What the state board and URS are doing by  
21 proposing and conducting by this study is precisely that.  
22 They are employing the dangerously simplistic tactic of  
23 predicting future transportation needs based on data from past  
24 decades. One need only stay abreast of current scientific  
25 findings and predictions about climate change, limits to



1 global petroleum availability and consequent projected rises  
2 in energy costs, not to mention political instability in  
3 petroleum-producing areas of the world, to know that the  
4 future is unlikely to be as predictable as the past few  
5 decades have been.

6                   What we do know is that particularly by 2050,  
7 these global realities are likely to require far different  
8 transportation solutions than mere expansion of our current  
9 highway system. Instead, we will need to turn to technologies  
10 and practices for transporting people and goods that will  
11 dramatically increase fuel efficiency and reduce the need to  
12 drive. That will not include more highways. It will include  
13 greatly expanded rail transport and other mass transit. It  
14 will include living closer to where we work, increased ride  
15 sharing and telecommunicating, as well as substantial  
16 increases in local businesses and services. It will probably  
17 also include slower highway speeds particularly in high  
18 traffic areas.

19                   Transportation engineers know that reducing  
20 highway speeds by half allows those highways to accommodate  
21 three times as many vehicles while at the same time improving  
22 both fuel efficiency and safety. I realize that some of these  
23 solutions are not currently popular. However, in the coming  
24 decades this proposal is attempting to address, as fuel costs  
25 rise at rates much faster than other sectors of the economy

1 and as for example if gas prices rise above 10 dollars a  
2 gallon as they almost certainly will by 2050, these are going  
3 to become the solutions we need, and not the dinosaur vision  
4 that is currently proposed in the study. The State  
5 Transportation Board is doing the right thing in looking at  
6 our future transportation needs. But in so doing, it owes our  
7 children and our children's children not more of the same but  
8 rather a farsighted and creative vision that will truly meet  
9 the transportation needs of the world they will inherit.  
10 Thank you for your consideration.

11 CHAIRMAN SCHORR: That winds up this section  
12 of the public comment. Does the board have any questions or  
13 comments? Is there a motion to be in order?

14 MR. FLORES: I guess I don't know what the  
15 motion is. I would like clarification on what we are doing  
16 with this particular item?

17 MR. ZUBIA: The way I understand it, we have  
18 had three public hearings and we have heard from some of the  
19 members of the public. At this point, any discussion of the  
20 board and follow-up questions and comments, if I could,  
21 Mr. Chair, I would like to start off with some questions or at  
22 least some comments with regard to the comments that were made  
23 by the public.

24 And I think a lot of what I have heard today  
25 actually made a lot of sense. I got to tell you I do agree

1 with a lot of what was said today. In particular, the first  
2 speaker we heard, the representative of the Sierra Club. I  
3 think he summed up a lot of the people's feelings not only in  
4 the gallery but up here on the board as well. I would have to  
5 say before I get too far along though that I disagree that the  
6 process should be stopped, in all honesty. In order to  
7 evaluate multi-modal, in order to evaluate other options, you  
8 need to be able to weigh it up against something.

9                   We can't weigh it up against anything unless  
10 we look at specific transportation routes more specifically.  
11 I think there was some comments made about population growing  
12 is not inevitable. I think I would like to ask somewhat of a  
13 rhetorical question, how many people in this room here know  
14 somebody from someplace else? I think everybody in this room  
15 can look next to each other and say that there is somebody  
16 here from someplace else that wasn't here five years ago. The  
17 reality is that's not going to stop and there is nothing we  
18 can do to stop that but we have to look to the future and try  
19 to address it.

20                   With that in mind this board here, our main  
21 focus, we have three main focuses here. You have heard a lot  
22 of what we do here today. One, we look at issuing bonds for  
23 construction. We look at awarding contracts for construction.  
24 But one of the other important functions we do is look at  
25 transportation, future transportation, routes in particular.

1 Again, for us to sit here and say that growth isn't going to  
2 happen is sticking our heads in the sand. I'm not saying I am  
3 signing off on any one of these routes but I do think we need  
4 a lot more detail on looking at whether or not to see there  
5 are certain routes that are more feasible than others or even  
6 if a route is feasible at all. I think to not do that would  
7 be shortsighted on the board's part and we wouldn't be doing  
8 the job that we were appointed to do.

9 MR. FLORES: Now that I know what the  
10 parameters are, I did note that possible action, and I'm  
11 assuming that possible action is a continuation of the study.  
12 I mean, this is my first meeting. I don't know what the cost  
13 was of the initial study. I don't know what the next step is.  
14 So I believe that for me personally I need to know that. With  
15 regard to the comments that were made, I agree very much with  
16 Felipe with the exception that I don't know whether the  
17 numbers of a population are true or not but that is what we  
18 have got. I do know that it is going to grow. There will be  
19 more people. I don't know whether this particular concept  
20 addresses the issues of traffic between Phoenix and Tucson.  
21 It certainly impacts negatively a lot of things.

22 What strikes me is that what isn't included,  
23 and I have not read the final report, is the impact of what  
24 the port development in Sonora is going to do with additional  
25 traffic as well. So it seems to me that we may be premature

1 in assessing the numbers that we have right now and if that is  
2 true, then spending money, going forward without that  
3 particular information I think is not a good way to spend this  
4 money. I don't know at what particular point there will be a  
5 motion to continue the study, but I would hope that somebody  
6 will address, perhaps you, Mr. Chairman, what the cost is  
7 going to be, what the next step is before we take a vote.

8 CHAIRMAN SCHORR: I believe Mr. Zubia has a  
9 motion he would like to make.

10 MR. ZUBIA: And hopefully, this does address  
11 some of your concerns, Victor. But the study was great for  
12 the amount of time and the money that was spent to put it  
13 together. It was really informational, kind of collating a  
14 lot of the studies out there. Obviously, it didn't go into  
15 any great detail of any of the routes. And that is really  
16 going to be the basis for what my motion is going to here  
17 today. After considering all of the not only comments here at  
18 the public hearing, the written comments we have received  
19 directly, personal visits and discussions with some people, I  
20 would like to make a motion that the board accept the final  
21 report and recommend that staff move forward with follow-up  
22 studies to include the costs, benefits, consequences and  
23 environmental constraints of these three different scenarios.

24 The first is to continue with the current  
25 planned I-10 expansions with no bypass, a no-build option I

1 guess we will call it. The second being to construct capacity  
2 enhancements within the current right of way, again no bypass  
3 but at least expanding the capacity we currently have. Then  
4 the third option being to look into more detail proceeding  
5 with the route alternatives that would be identified on the  
6 study map as C-1, D-1, D-2 and H.

7           The second part of the motion would be to  
8 eliminate any further study of alternative routes K-1 and K-2.  
9 But if I can just clarify real quick that motion, eliminating  
10 routes K-1 and K-2 would be the routes that would be proposed  
11 through the San Pedro Valley. The reason is two-fold, one  
12 environmental. I understand the importance of that area. I  
13 did spend some time in southern Arizona. But also, I don't  
14 think that any benefit would derive from bypassing through the  
15 San Pedro Valley. I think the amount of traffic would be very  
16 limited, I think 7 percent I did see that number as well as  
17 far as the amount of traffic being bypassed. So I would like  
18 to eliminate that from further consideration.

19           At this time, I don't think we have enough  
20 information to determine whether routes L, M-1 or M-2 merit  
21 further consideration. So I don't think I'm ready to make a  
22 motion on that, that would be the route through the Aravaipa  
23 area. So in essence, I would ask the board to vote on is a  
24 further detailed study of the Avra Valley route as well as the  
25 routes through Pinal County west of the current I-10

1 alignment.

2 MR. HOUSEHOLDER: Second the motion.

3 CHAIRMAN SCHORR: Seconded by Mr. Householder.  
4 Questions, comments?

5 MR. FLORES: What is the cost of this  
6 additional study, just a cost estimate in terms of the study?

7 MR. ZUBIA: In all honesty, I don't know what  
8 the cost would be. I am not an engineer. However, I'm  
9 willing to consider an amendment to the motion that would ask  
10 staff to provide us analysis of what that would cost before  
11 they proceed with it.

12 MR. FLORES: Mr. Chairman, would you also  
13 please ask that this first phase we would be approving also be  
14 included in what we have paid for this report?

15 MR. ZUBIA: So overall cost of the study?

16 MR. FLORES: Correct. I'm just curious to  
17 see, for me, you framed your motion in a fashion that I agree  
18 with some and some I do not. So in order for me to assess for  
19 me, personally, whether or not I would vote in favor, I would  
20 like to know what it has cost to-date, what it will cost in  
21 the next phase, and perhaps even our consultants have an idea  
22 that this next phase is phase two and there is three left. I  
23 would like to know the kind of money we are spending on a  
24 concept that many feel is not necessary.

25 MR. ZUBIA: If you are requesting a friendly

1 amendment, if I can call it that, maybe I can clarify that,  
2 being a request of maybe of the first phase of the motion I  
3 have put forth would be to provide an analysis of the cost of  
4 the study from beginning to end and the phases in which it  
5 would proceed. Is that what you are asking?

6 MR. FLORES: Yes.

7 MR. ZUBIA: I would be agreeable to that.

8 MR. FELDMEIER: I have a couple of comments.  
9 First off, I'm comfortable with the amendment and the basis or  
10 the foundation of the motion with the exception of excluding  
11 the K-1 and K-2 at this point, at least at this point for any  
12 of these routes at this point. Because I think if we are  
13 going to do a real fair and balanced analysis of all of these  
14 routes before we determine how much further along we go, we  
15 need to have them all in the mix and then allow them to exit  
16 on a naturally occurring set of standards by which I think  
17 they all ought to be tested by. I would like to see them all  
18 together as opposed to us eliminating a route or two at this  
19 point.

20 MR. ZUBIA: I guess I will comment on that  
21 real quick if I can. The justification for eliminating the  
22 routes I mentioned is, one, the environmental sensitivity.  
23 Any route we do out there will have environmental sensitivity.  
24 Even expanding under the current right of way, double-decking  
25 as some suggested, that would have environmental consequences,



1 frankly. But again not only are the environmental constraints  
2 within the San Pedro Valley a concern, but just the overall  
3 reduction of the amount of traffic being bypassed around  
4 Tucson, would be so limited and wouldn't merit further study  
5 or further spending on that area is really the basis for that.

6 MR. FELDMEIER: Environmental factors are a  
7 given in whatever route we may or may not discuss. I would  
8 just like to see in addition to the traffic volumes, and I  
9 noticed that when I reviewed the study, that that was by far  
10 the limited benefits as it relates to traffic. But I think it  
11 is premature to pull that out at this point. I just do.

12 CHAIRMAN SCHORR: We have a motion and second  
13 and a friendly amendment by Mr. Flores has been made and  
14 that's been accepted. I think the way to push your  
15 proposition to the test is you wish to make a separate motion  
16 to include the San Pedro area within the scope of the study or  
17 not?

18 MR. FELDMEIER: That being the case, I would.  
19 I would like to make sure that they are all at least included  
20 in this next phase, however short that phase may be.

21 CHAIRMAN SCHORR: I will take that as an  
22 amendment to the motion. Is there a second to Mr. Feldmeier's  
23 proposal? Hearing none, it failed. So we are back to the  
24 original motion which is as Mr. Zubia has stated which  
25 eliminates the San Pedro Valley alternative from any further

1 study. Any further -- the attorney is raising his hand.

2 MR. ACOSTA: I believe you ought to have a  
3 clear statement of the motion in its entirety altogether and  
4 have a second and then a vote. At this point, it's already  
5 unclear what the motion is.

6 CHAIRMAN SCHORR: Let me see if I can  
7 summarize it and the maker will, I'm sure, correct me if I'm  
8 wrong. Number one, we are eliminating any further study of  
9 alternative routes K-1 and K-2 through the San Pedro Valley.  
10 Number two, we are proceeding with follow-up studies to  
11 include the cost, benefits, consequences and environmental  
12 constraints of continuing with the current planned I-10  
13 expansion with no bypass. Mr. Felipe Zubia has said that is a  
14 no-build alternative. And B, construction and capacity  
15 enhancements of I-10 between Phoenix and Tucson be  
16 accomplished only within the current right of way and  
17 proceeding with alternatives, C-1, D-1, D-2 and H.

18 After the completion of these follow-up  
19 studies, in other words, go back and test the basic  
20 assumptions about I-10 whether you can build or not build  
21 within that alignment, then you determine, also need to  
22 determine the current and 2030 auto and truck traffic that  
23 could use a bypass around the Tucson and Phoenix metropolitan  
24 areas. After that information has been received, then my  
25 understanding is there would be a further study to compare and

1 evaluate proceeding whether or not a bypass through the  
2 Arivaca Valley would even be warranted. That I believe states  
3 the motion.

4 Then there was an amendment by Victor which  
5 Felipe accepted which would deal with the costs of these  
6 studies as well. Have I fairly stated the motions?

7 MR. ZUBIA: Yes.

8 CHAIRMAN SCHORR: Any further discussion or  
9 comment? All in favor say aye.

10 ALL BOARD MEMBERS: Aye.

11 CHAIRMAN SCHORR: Any opposed?

12 MR. FLORES: Mr. Chairman, I would like to at  
13 least explain why I would vote aye, and it's because of the  
14 no-build provisions, the fact that you are eliminating the San  
15 Pedro Valley. I guess I will hold judgment on whether or not  
16 we should continue with this study based on the money that's  
17 been spent and continuing onward and perhaps this study will  
18 continue through this Avra Valley, it may be something that  
19 will be amenable to the public. I do believe that we need to  
20 pay significant amount of attention to what the citizens,  
21 those people we represent, are saying on going forward. On  
22 that, I will vote aye.

23 CHAIRMAN SCHORR: Let me add a statement to  
24 that. I would also hope that as part of the public outreach,  
25 the study include a statistically valid random sample survey

1 of I-10 and potential bypass uses and effective corridors.  
2 I'm sure there is a lot more people out there who also have  
3 viewpoints and they have to be tested by conducting such a  
4 valid and random sample survey. Not only who would be  
5 affected but all those who might use any of the alternatives.

6 I might also like to add a few more comments.  
7 I don't think it was stressed enough because some of us heard  
8 these comments at the very beginning that the ability to widen  
9 I-10 through Tucson in the words of the consultant is very  
10 limited and provides a major reason for considering a bypass.  
11 Also, you have to understand, and I think we all understand on  
12 this board, that we are a statewide board. We have to  
13 consider the implications of what we do on a statewide basis.

14 Although it wasn't voiced today, there have  
15 been support letters written by the towns of Sahuarita,  
16 Marana, Oro Valley and Pinal County as well. These proposals  
17 would benefit all of those jurisdictions and they were not in  
18 attendance and voiced their sentiments today. We now know  
19 that the traffic volumes on I-10 through Tucson in 2005  
20 exceeded 150,000 vehicles per day. We believe they will be in  
21 the year 2030, that's less than 25 years from now, they will  
22 exceed 300,000 VPD. That is double.

23 We know what we are building now on I-10 will  
24 allow about 200,000 vehicles per day. So we are going to be  
25 short the capacity for 100,000 vehicles per day on I-10 as it

1 wends its way through Tucson. With all due respect to some of  
2 the comments I have made, the engineers inform us there are no  
3 alternative viable routes to I-10 through southern Arizona.

4 Talking about the Route 4 which the board has  
5 authorized study for under its motion, this is a route that  
6 roughly parallels I-10 from Casa Grande to Tucson. I think it  
7 provides a lot of opportunities and one of the previous  
8 speakers said this before and let me voice it again, there are  
9 components of this route which are actually part of the state  
10 route system today. There are two state routes which would be  
11 a component of this system. This has been a long year and we  
12 have a lot more to go, but I just wanted to add that statement  
13 because I think asking for a concerted study of these efforts  
14 is most necessary.

15 You cannot get hurt by planning. You can get  
16 hurt by not planning. Southern Arizona has paid quite a price  
17 over the years for not doing all of the planning it could have  
18 or should have done with respect to transportation. What is  
19 going to happen, each of us has our own crystal ball but we  
20 have to have some faith and reliance on the economic  
21 prognosticators and the planning prognosticators, and they  
22 tell us we simply need to do this planning. What we are doing  
23 today, I know I for one will not see. I think it cannot  
24 happen in the next five, 10, 15 years or so. If we don't sit  
25 down to do the planning then we are committed to perpetuate

1 the follies of the past. Thank you.

2 MR. ACOSTA: Mr. Chairman, members of the  
3 board, I just want the record to be clear if you could state,  
4 Mr. Chairman, who made the motion and who made the second  
5 because I am not sure that came through.

6 CHAIRMAN SCHORR: The motion was made by Mr.  
7 Zubia. It was seconded by Mr. Householder. We are moving on  
8 to the next item of business. I want to congratulate the  
9 audience for participating in this hearing. There was a few  
10 notes of discord but we will now move on to item number 21.

11 MR. TRIPATHI: Mr. Chairman, members of the  
12 board, item numbers 21 to 26 in the interest of time --

13 CHAIRMAN SCHORR: I would ask whoever is in  
14 authority here to please escort the folks who are making this  
15 conduct out.

16 MR. TRIPATHI: Mr. Chairman, item number 21 to  
17 26 in the interest of time as it is a routine item as the  
18 chairman of PAC, the committee has taken a look at these  
19 projects and I recommend approval.

20 CHAIRMAN SCHORR: Any questions or comments?

21 MR. FELDMEIER: Talking about 21 through --

22 MR. TRIPATHI: 26.

23 CHAIRMAN SCHORR: A motion is in order.

24 MR. FELDMEIER: Yes.

25 MS. LUNDSTROM: Seconded.

1 CHAIRMAN SCHORR: Moved by Mr. Feldmeier,  
2 seconded by Ms. Lundstrom.

3 MR. FELDMEIER: One quick comment relating to  
4 21, the Game and Fish says it will pay for one-third of the  
5 costs related to this project. I want to thank them for this  
6 project.

7 CHAIRMAN SCHORR: Let the record show  
8 Mr. Feldmeier gives thanks. We have heard a motion. All in  
9 favor of the motion say aye.

10 ALL BOARD MEMBERS: Aye.

11 CHAIRMAN SCHORR: The next item is for Barclay  
12 Dick.

13 MR. DICK: Thank you, Mr. Chairman. This  
14 morning, we have four grants to consider, three federal  
15 matching grants, one state and local grant. With your  
16 concurrence, staff would recommend approval of agenda items  
17 27, 28, 29 and 30.

18 CHAIRMAN SCHORR: Are there any questions or  
19 comments by the board? If not, a motion is in order.

20 MS. LUNDSTROM: I make a motion to move.

21 MR. HOUSEHOLDER: Seconded.

22 CHAIRMAN SCHORR: Motion by Ms. Lundstrom,  
23 seconded by Mr. Householder. All in favor say aye.

24 ALL BOARD MEMBERS: Aye.

25 CHAIRMAN SCHORR: Any opposed? Carried and so

1 ordered. Our next item is items 32, right of way resolutions.  
2 I think those are on the consent agenda if I am not mistaken.  
3 The next item is 41. Mr. Elters.

4 MR. ELTERS: Mr. Chairman, board members, good  
5 morning. My report is the following. It is with pride and  
6 excitement that I report to you that our construction program  
7 is valued at the present time of \$1.3 billion dollars. It is  
8 the largest construction program we have had in the history of  
9 the department and we continue to be pleased with the project.  
10 On the agenda today, we have seven projects to present to you,  
11 three of which are on the consent agenda, leaving items 42,  
12 44, 46, 47 and 48 to address with you and Mr. Chairman with  
13 your concurrence, I would like to take them all in one swoop.

14 CHAIRMAN SCHORR: Which items would you  
15 propose taking?

16 MR. ELTERS: 42, 44, 46, 47, and 48.

17 CHAIRMAN SCHORR: Let the record show that I  
18 will be recusing myself on items 42 and 43 and 44. I will  
19 allow Mr. Householder, the vice chair, to take the chair for  
20 those items.

21 MR. HOUSEHOLDER: Sam, you want to put them  
22 all together?

23 MR. ELTERS: With your concurrence and the  
24 board's concurrence, Mr. Householder.

25 MR. HOUSEHOLDER: I think Mr. Feldmeier would



1 like to talk about 48 for just a second before we decide to  
2 vote on it.

3 MR. FLORES: Could I move first that we do, in  
4 fact, I mean is that not procedurally how we want to do this?  
5 Can we make a motion and then second.

6 MR. HOUSEHOLDER: Yes. Do I have a motion?

7 MR. FLORES: I so move.

8 MR. HOUSEHOLDER: Mr. Flores moves. Do I have  
9 a second on it?

10 MR. FELDMEIER: I'm not sure what the motion  
11 is.

12 MR. HOUSEHOLDER: To approve 42, 44, 46, 47  
13 and 48.

14 MR. FELDMEIER: I would like to talk about 48  
15 aside from the other ones. So if we can separate 48 from  
16 that, I would be happy to provide a second for that.

17 MR. FLORES: I will amend my motion to delete  
18 48 and basically the recommendation from staff to coalesce all  
19 of these in one motion with the exception of 48.

20 MR. HOUSEHOLDER: Do I have a second?

21 MR. FELDMEIER: Second.

22 MR. HOUSEHOLDER: Mr. Feldmeier seconds  
23 Mr. Flores' motion. All in favor say aye.

24 ALL BOARD MEMBERS: Aye.

25 MR. FELDMEIER: We will have discussion on 48.

1 This item has been brought to us before.

2 MR. ELTERS: To share the information that I  
3 have with me, Mr. Chairman, Mr. Feldmeier and board members,  
4 item number 48 was advertised and bids were opened on December  
5 14. This is a state arch project in the area of Roper Lake  
6 State Park in Graham County. The apparent low bidder is Gray  
7 Mountain Construction, L.L.C. The bid amount was \$1,014,735.  
8 The state estimate was \$1,084,975. The bid is \$75,000 below  
9 the state statement. We did receive ten bids on this project.

10 MR. HOUSEHOLDER: I make a motion that we  
11 approve it.

12 MR. FLORES: I move.

13 MR. HOUSEHOLDER: Is there a second?

14 MR. ZUBIA: I second.

15 MR. HOUSEHOLDER: Motion and second. Are  
16 there any questions or comments?

17 MR. FELDMEIER: When we discussed this  
18 originally in January in Casa Grande, we asked before to table  
19 it and with that table, there was a question from Mr. Zubia  
20 relating to assistance we could possibly receive from State  
21 Parks as it relates to the long-term partnership or whatever.  
22 I have never heard the response to that in terms of what might  
23 have occurred with the conversation with State Parks. Can you  
24 fill us in on that?

25 MR. ELTERS: Mr. Householder, Mr. Feldmeier,

1 we did contact the State Parks and asked, as Mr. Zubia  
2 requested, to see if there are any opportunities for exchange  
3 of funding or property as it relates to right of way and  
4 within the confines of the five-year program that we have.  
5 None was identified so that opportunity does not exist, did  
6 not exist, at least with any confines of the five-year program  
7 that we have today.

8 MR. FELDMEIER: Then Mr. Chairman, I want to  
9 say I brought this up because of the concern I have if we are  
10 assisting and financing state parks projects, I'm not telling  
11 you that those concerns they have aren't legitimate, because  
12 they are, they need help. We need help too. That's why I'm  
13 concerned about expending our funds on items outside of our  
14 jurisdiction as it relates to roads, repaving, bridges and the  
15 like. We are too far down the road to pull the plug on this  
16 one and I don't think it is appropriate to do that. So I will  
17 go in favor of this. But at the same time, I would like the  
18 board to move forward in reviewing the policy that we have  
19 related to assisting agencies outside our own in manners other  
20 than HELP Loans because this money is too tight out there now.  
21 And I believe what money we have we ought to be spending on  
22 our own projects within our own jurisdictions. With that, I'm  
23 in favor of this motion but I want to see the board review  
24 that and at a time I think you can help assist in finding it  
25 appropriate.

1                   CHAIRMAN SCHORR: Any further questions or  
2    comments?

3                   MR. ZUBIA: I appreciate the clarifications by  
4    board member Feldmeier. With that in mind, I would like a  
5    little more detail on how we can deal with this issue. I  
6    understand they have a more limited budget as well. I think  
7    my question more specifically referred to funding they may  
8    have to help support us where we may be tied to rural areas,  
9    for instance, with enhancements within the right of way. It  
10   doesn't have to be a dollar for dollar match but again some  
11   acknowledgment we are partnering in both respects, both ways  
12   of the street here, so to speak. I don't know whether we  
13   looked at that too exhaustively whether through enhancement or  
14   through board member Montoya's big issue was rest areas, if  
15   there is any areas we can look at where we can partner. But  
16   again, just a little more detailed responses in that regard.

17                  MR. ELTERS: We will be glad to do so.

18                  CHAIRMAN SCHORR: I believe in it's order then  
19   to vote on item 48. All in favor say aye.

20                  ALL BOARD MEMBERS: Aye.

21                  CHAIRMAN SCHORR: Any opposed? Unanimously  
22   carried. I believe item 49.

23                  MR. ZUBIA: We need to approve the other bulk  
24   items. We never voted on those. Sam, I don't remember  
25   getting a motion on items -- the other items that you wanted

1 to take in bulk?

2 MR. HOUSEHOLDER: 42, 44, 46, 47.

3 MR. ZUBIA: I'm sorry. Is that what the  
4 motion was? I thought we took out 48 separately and voted on  
5 that separately. Everything else we are going to go back and  
6 approve then?

7 MR. HOUSEHOLDER: It was approved.

8 MR. FLORES: It was approved. We snuck it by  
9 you.

10 CHAIRMAN SCHORR: That was the items that I  
11 recused myself.

12 MR. ZUBIA: I don't remember voting on that.

13 CHAIRMAN SCHORR: We are now at item 49,  
14 comments and suggestions. The comments and suggestions that I  
15 have heard that we include at a future board meeting, the  
16 questions that Mr. Feldmeier and Mr. Zubia have concerning our  
17 policy vis-a-vis state parks. I would like that scheduled for  
18 a future board meeting after the staff has had an opportunity  
19 to research those aspects. Are there any other comments and  
20 suggestions under item 49? If not, we will move on to item  
21 50, the consent agenda. We should vote on that with the  
22 understanding that I have recused myself on the items  
23 previously discussed which was 42, 43 and 44. Any motions?

24 MR. HOUSEHOLDER: I will make a motion.

25 CHAIRMAN SCHORR: Motion by Mr. Householder.

1 MS. LUNDSTROM: Second.

2 CHAIRMAN SCHORR: Seconded by Ms. Lundstrom.

3 Any questions or comments? All in favor say aye.

4 ALL BOARD MEMBERS: Aye.

5 CHAIRMAN SCHORR: The motion is moved and  
6 carried. The next item is calls to the audience. The first  
7 speaker on the floor is Mr. McClure from the Cascabel  
8 Coalition who told me he was reserving his time from the  
9 beginning to speak at the end.

10 MR. MCCLURE: Thank you very much, Mr.  
11 Chairman and members of the board. First, let me express our  
12 appreciation to the board for rejecting the San Pedro River  
13 Valley route and let me express my appreciation for all of the  
14 courtesy we have received from the board and ADOT, our  
15 interactions with which have always been highly professional  
16 and courteous and helpful. At the same time, I would like to  
17 express a little disappointment that the project is going  
18 forward with the study. But having decided to make the study,  
19 I would like to make some suggestions.

20 First of all, one of the most difficult things  
21 to deal with was lack of real data. I think even URS alluded  
22 to that in their report. Any further study should begin with  
23 collecting some real good traffic data. I think the ADOT  
24 staff will go along with that. Second, it needs to be a  
25 little more comprehensive. There was hardly any mention in

1 here about the demands the catamax requirements were going to  
2 place on the transportation system throughout the area. There  
3 was hardly any discussion about multi-modal solutions for  
4 this. These are very important things to do.

5 A more comprehensive look at planning is  
6 important in another sense. We have found, for example, that  
7 there has been too much reliance on someone else's suggestion  
8 about population growth without looking into how those results  
9 were achieved. For example, what will the effect of lack of  
10 water have on population growth in various parts of the state.  
11 There was very little estimation of where the new traffic  
12 demand is going to be. Looking at the growth pattern maps  
13 which were presented, it looks like most of that growth is  
14 going to be in the Tucson to Phoenix corridor which strongly  
15 suggests that there should be parallel routes in that area,  
16 not routes from New Mexico to that area because that's not  
17 where the corridor traffic is. Having said all these things,  
18 I would like to reiterate that we do appreciate our  
19 opportunity to be heard and we are quite sure that when the  
20 next phase of this study is cost-estimated that a hard look  
21 will be taken at whether or not it is a sensible thing to  
22 proceed and we thank you all very much.

23 CHAIRMAN SCHORR: Thank you. Supervisor Jim  
24 Palmer.

25 MR. PALMER: Thank you, Mr. Chairman, members.

1 It is a privilege to be with you today and I would like to  
2 thank the board for their good work and all that you do and  
3 especially our board member Mr. Householder who has  
4 represented us so ably over many years on this board. As we  
5 drove up this morning, we came through the current  
6 construction project on Highway 191 south. The importance of  
7 that is vital to our community and we appreciate very much  
8 that going forward and would ask that those holes in that  
9 route be filled in as soon as possible. We have several  
10 blanks in that 191 corridor that is our link to I-10 and  
11 basically the only north-south lane coming off I-10 in the  
12 event of that being shut down. We have a great need to see  
13 those holes filled in and see that project completed as soon  
14 as possible. I want to thank you for your vote here a few  
15 minutes ago on the Roper Lake project. Use of Roper Lake by  
16 our citizens and citizens from all across this state is up 300  
17 percent and continuing to grow and we very much appreciate  
18 that going forward.

19 We look forward to the 70 East project going  
20 east from Safford that will be widened to five lanes, very  
21 much needed, and also to the construction of the Guthrie  
22 Bridge. While that is in Greenlee County, it's a very  
23 important corridor for Graham County residents that work in  
24 Morenci and travel that highway twice every day. Also, we  
25 look forward to, we understand that the bias bridge on Highway



1 71 going west has been expedited and has some real structural  
2 challenges and safety challenges that are very important to  
3 us. And what I have highlighted here is there are four ways  
4 to get out of town in Graham County, east, west, north, and  
5 south, and all of them face some challenges right now. And  
6 being a politician, I need a quick way to get out of town when  
7 that need arises.

8 We also would encourage your help as the  
9 Arizona Eastern Railroad project to do the open Safford mine  
10 continues to move forward. That is going to require a  
11 crossing at 70. We think it will require a temporary at-grade  
12 crossing until this five-length segment of 70 east is built  
13 and a grade separated crossing can be incorporated into that  
14 design. And we very much encourage you to look at that and go  
15 forward with that. We appreciate the help we have received  
16 through ADOT and as we have partnered on our small area  
17 transportation study, we appreciate and want to give thanks to  
18 Charlene Fitzgerald for her work on that and also for her help  
19 in helping us to obtain some of the funding for our 8th Avenue  
20 bridge. We are very close to advertising and this has been  
21 many years in the making to reconstruct and replace the 8th  
22 Avenue bridge. This is the artery that leads to the new mine.  
23 It's heavily traveled every day, not only with mine traffic,  
24 with farm machinery, residential traffic, and it's a very,  
25 very unsafe and difficult situation. We very much appreciate

1 your help on that and we look forward to seeing that get under  
2 way. Thank you. Ana Olivares.

3 MS. OLIVARES: Hello, Mr. Chairman, members of  
4 the board. I'm Ana Olivares. I'm deputy director for Pima  
5 County Transportation. And I want to discuss briefly three  
6 projects with you today. We want to thank ADOT and the board  
7 for their support in the I-19 and Canoa interchange project.  
8 That project is getting ready to start and we want to thank  
9 you for helping us get the change of access report through the  
10 federal highway. Of note, that project included a lot of  
11 drainage work for the ADOT Tucson district maintenance and we  
12 will be improving that. To date, we have been unsuccessful in  
13 obtaining money to help us reimburse the county for that. We  
14 have secured the funding for that project and we are ready to  
15 go so we just ask for your assistance in getting the final  
16 permit to continue with the construction.

17 The next project is the Ajo, State Route 86  
18 and Kinney Road project. That is a project that we are  
19 working very well and cooperatively with ADOT and Pima County  
20 and the developer. It has been a great partnership project  
21 and we are hoping to move forward and complete that by 2009.  
22 Currently, Pima County is contributing \$16 million and the  
23 developer is contributing \$10 million and ADOT's portion was  
24 at one time \$1.8 million but due to the high cost of  
25 construction and getting the delay starting now is up to \$5.1

1 million. We have currently heard that ADOT was finding an  
2 additional \$3 million to help with their part of it and we are  
3 very grateful and happy to see that. We have heard that might  
4 even be delayed to an excess of a year and so we are here to  
5 ask for your support and encourage to repay that money to help  
6 us construct this project.

7                   The last project I would like to talk about is  
8 we would like to ask for your support and thank you in advance  
9 for your help in obtaining funding for the safety improvements  
10 needed on Catalina Highway. Catalina Highway leads up to Mt.  
11 Lemmon, a great recreational spot here in Tucson and southern  
12 Arizona so we really ask for your support in obtaining that  
13 funding. Thank you.

14                   CHAIRMAN SCHORR: LaRon Garrett, Payson town  
15 engineer.

16                   MR. GARRETT: Mr. Chairman, members of the  
17 board, first of all, I would like to thank ADOT staff for  
18 working with us on the HELP Loan and especially the board  
19 approving the HELP Loan today. That will go a great distance  
20 in helping us accelerate the project that is in dire need of  
21 repair. Second, I would like to clear up some possible  
22 confusion that I understand has been sent to ADOT. We have  
23 been told that the ADOT board members and other people in ADOT  
24 have been receiving letters about transferring some funding  
25 away from Highway 260 in favor of an alternative route around

1 Payson. The town of Payson does strongly support an alternate  
2 route. On weekends, sometimes you have an 11-mile backup when  
3 you get to Payson. The town council is not behind the effort  
4 to take the funding from 260. There are some individuals who  
5 would like to see that happen and as I said the town would  
6 love to have an alternate route, especially on holiday  
7 weekends, because it is quite a mess. But at this point, the  
8 town definitely wants the money to stay on 260 also. Again,  
9 thank you for all of your help and I appreciate your efforts.

10 CHAIRMAN SCHORR: Annie McGreevy.

11 MS. MCGREEVY: I'm Annie McGreevy with the  
12 Friends of State Highway 82. I live in Sonoita, 324  
13 Crittendon Road. I want to warn the board about an invasion  
14 from the north. There is a tiny Canadian mining company  
15 called Augusta Resource that wants to build a huge open pit  
16 off of Highway 83. What they say in their mining plan, even  
17 though they haven't brought to you, is that they would have  
18 mining trucks going to and from their mine every hour, every  
19 day from seven days a week between a minute and a half or  
20 eight minutes every day. And this would cause wear and tear  
21 on Scenic Highway 83 besides a tremendous traffic problem and  
22 dangerous to your constituents. So I hope when they bring it  
23 to you, you will ask them to build their own right of way.  
24 There is no reason that we and you should pay for a Canadian  
25 mining company to make money at our expense. Thank you.

1 CHAIRMAN SCHORR: I would ask perhaps the  
2 state engineer to look at that a bit and see whether we have  
3 received any requests which would relate to that and give us a  
4 report. Jay Ream, assistant director of Arizona State Parks.

5 MR. REAM: My notes say good morning,  
6 Mr. Chairman. Good afternoon. Thank you. My name is Jay  
7 Ream. I am the assistant director for Arizona State Parks and  
8 am here representing the Arizona State Parks board. I thank  
9 you on behalf of the State Parks Board for approving item 48  
10 on the agenda. But more importantly, I did listen to  
11 Mr. Zubia and Mr. Feldmeier and would be willing to work with  
12 the Arizona Department of Transportation and the  
13 transportation board on a partnership that would help this  
14 program continue because it so important to what we do in  
15 Arizona state parks. The parks are better because of our  
16 partnership with you. And if there is something we can do to  
17 continue that partnership, we would be more than willing to  
18 help.

19 I do understand that you do have a great  
20 economist in Mr. McGee and I listened to his words too. And  
21 those same things are affecting Arizona State Parks on a large  
22 scale. So I thank you for your time today and I will be  
23 contacting Mr. Mendez or whoever you would like me to contact  
24 to work out a partnership that we can all move forward with.  
25 Thank you.

1 CHAIRMAN SCHORR: John Anderson, vice mayor.

2 MS. BETZ: I'm not John Anderson or the vice  
3 mayor. I am standing in for him. He was here this  
4 morning but had to leave for prior engagements. My name is  
5 Susan Betz. I'm the assistant city manager for the city of  
6 Bullhead City. I have a couple of thank yous I would like to  
7 deliver and provide an update to the board. First of all, we  
8 want to thank the board and in particular recognize board  
9 member Bill Feldmeier for expediting the pavement preservation  
10 projects that are scheduled to occur in Bullhead City this  
11 summer. Hancock Road at Highway 95 and Highway 95 at Highway  
12 68 which is the interchange to the bridge that goes across the  
13 river to Nevada is scheduled for improvements. Unfortunately,  
14 those intersections are currently in a sad state of affairs  
15 and there is no life left in them. So we appreciate those  
16 projects scheduled for this summer.

17 And we would like to thank the board for  
18 expediting the pavement preservation project for Highway 95  
19 from the Laughlin bridge to Marina Boulevard. As recently as  
20 six months ago, this project was not even on the radar screen.  
21 However, the highway has deteriorated to such an extent that  
22 it is now scheduled for the year 2011. With the 45,000  
23 vehicles that drive on that highway each day, we are not even  
24 sure that it will last until 2011 but thank you, thank you for  
25 recognizing the project and its importance to our area.

1                   And also, I would like to give the board an  
2 update on the progress that we are making for coming closer to  
3 constructing a second interstate bridge between Arizona and  
4 Nevada at Bullhead City and Laughlin. Currently, the  
5 environmental assessment analysis is recommending a do-build.  
6 And there are three alternatives that are being considered.  
7 One of them, probably the favored alternative is the Riverview  
8 Drive route. The project itself, we really need money to  
9 expedite it to even schedule it for design and construction.  
10 The city has engaged a lobbyist in Washington, D.C. to help us  
11 with federal appropriation requests. We have recently  
12 submitted a five million dollar request for design and right  
13 of way acquisition. So once we get that funding secured, the  
14 preliminary engineering and final design can begin in 2009  
15 with construction by 2010. Thank you for your time this  
16 morning.

17                   CHAIRMAN SCHORR: Tom Platero from the Navajo  
18 DOT.

19                   MR. PLATERO: Good morning, members of the  
20 board. We have a couple of handouts for you. I will try to  
21 limit it to three minutes. My name is Tom Platero for the  
22 Navajo Department of Transportation. This is Patricia Magee.  
23 She is the manager for our transportation planning program on  
24 the Navajo nation. I have a couple of handout things I need  
25 to refer to.

1 CHAIRMAN SCHORR: You may continue.

2 MR. PLATERO: There is a couple of places I  
3 want to highlight for you. It is on the 2009-2013 ADOT  
4 statewide transportation projects. Our planning department  
5 put this together. Our principal planner is Selisa  
6 Norstalk(sp). We have five planners. Tab one, a real quick  
7 summary of the recommendations. The first tab is the  
8 recommendations we are providing to the board for this year,  
9 for the first five years and then the five to ten years. The  
10 green lines are the five to ten. The red lines are the zero  
11 to five-year statistics. Under tab two is basically an  
12 excerpt from the long-range transportation plan.

13 The first page is basically the Navajo nation  
14 operates in Arizona, New Mexico and Utah. The first page is a  
15 cover. The remaining pages on tab two is a listing of all of  
16 the routes of the Navajo nation, state routes that cross our  
17 tribal lands. There are quite a number of them.

18 Going back to the long-range transportation  
19 plan, if you would like a copy, that is available on our  
20 website. Our website is [www.navajodot.org](http://www.navajodot.org). This is a summary  
21 of state roads that cross the Navajo nation. Utah has 88.6  
22 miles. New Mexico has 633.3 miles. Arizona has 956.3 miles  
23 which comprises 57 percent of state roads on the Navajo  
24 nation. So the state of New Mexico does have a huge presence  
25 on the Navajo nation.



1                   The tab after that is our inventory of the  
2 Indian reservation roads. State roads comprise 16.6 percent  
3 of our routes. One of the things that we wanted to take the  
4 opportunity to thank the board and the Arizona Department of  
5 Transportation is their willingness to work with the Navajo  
6 nation to include state routes on our inventory. The Navajo  
7 nation has historically for the last four years, our share of  
8 the IR construction has decreased through the partnership with  
9 the State of Arizona and the other two states and the  
10 counties. We have updated our inventory for the past year and  
11 we have reversed the trend of having funds decreased for  
12 construction dollars on the Navajo nation.

13                   If you look in your booklet in the back, we  
14 actually put a DVD in there that we use to advertise internal  
15 and external to our organization our inventory project and we  
16 have shared that with the board before. So we want to take an  
17 opportunity to thank ADOT for working with us on this project.

18                   Tab four, basically this is a summary of a  
19 report prepared by the Arizona Department of Transportation  
20 which is a report on tribal transportation issues and needs  
21 which was prepared in December of 2007. And what we have  
22 included in this distribution is the highlights of the Navajo  
23 nation's needs. This information has been flowing through  
24 both the summaries provided by the State of Arizona and also  
25 our involvement with the ADOT planning section.

1                   The last tab is tab five. Arizona was the  
2 second state we entered into a memorandum of understanding  
3 with as far as working with the partnership on projects and  
4 other issues that affect both of us. This project has really  
5 taken on a life of its own. We originally started with the  
6 Arizona Department of Transportation, Navajo Department of  
7 Transportation, BIA and the Federal Highway Administration.  
8 Since that time, this partnership has expanded to include  
9 Coconino, Navajo County and Apache County. We meet on a  
10 quarterly basis and we have started taking up issues of  
11 concerns that relate to all of the entities that impact the  
12 Navajo nation. And it's really beneficial I think for  
13 everybody. It's been an educational process for everybody  
14 that's been involved and this is our third year going into  
15 this partnership. And it's really yielded a lot of benefits  
16 for everybody. We want to thank ADOT for continuing to  
17 sponsor that. They are basically the lead for this. We meet  
18 at a lot of their facilities and it's really, I think, helped  
19 us as a young organization for the Navajo Department of  
20 Transportation to learn some of the practices that make things  
21 work in transportation. I have been there about four years --

22                   CHAIRMAN SCHORR: Could you summarize, please.

23                   MR. PLATERO: It was a small group and we have  
24 actually tripled in size in about four years. So it's through  
25 partnerships that we have formed with other entities and so we

1 want to thank the Department of Transportation and we  
2 appreciate your time.

3 CHAIRMAN SCHORR: Will the remaining speakers  
4 try to limit themselves to three minutes. Some of the members  
5 have to leave. Rich Gaar.

6 MR. GAAR: Mr. Chairman, members of the board,  
7 good morning or afternoon, whatever it is. I'm Rich Gaar,  
8 executive director of SEAGO and I am here representing a few  
9 of my members that opted not to come today because they looked  
10 at the agenda and realized there was a lot that was going to  
11 happen. I will keep it brief. I just want to say thanks from  
12 SEAGO to the board on behalf of what you have done for us so  
13 far. If you look at the Five-Year Plan, and they are all  
14 goose eggs at SEAGO, but I'm a realist. I know how much money  
15 is out there. I know you have other competing projects that  
16 you need to work on. Please keep rural Arizona in mind. I  
17 know you have worked with us on enhancements. There are other  
18 programs as our DEs talk about, Phil Harmon. And we  
19 appreciate what you are doing for us and what you are  
20 continuing to do for us. Jim Palmer spoke very eloquently  
21 about our number one need, 191 north, but there are other  
22 things in Santa Cruz County and Cochise County we need to keep  
23 on the radar. And with that, again, thank you on behalf of  
24 SEAGO.

25 CHAIRMAN SCHORR: D.L. Pierson? Trevor Hare?

1 Judith Malin? Michael Toney?

2 MR. TONEY: First, I was going to say this  
3 wasn't as bad as a Palm Springs weekend but I appreciate the  
4 way you handled the anguish about this development. I have  
5 been looking into a situation and I think central to the  
6 question of transportation and population is what is happening  
7 with the water. After Growing Smarter was initiated in 1998,  
8 there was a precipitous drop for ten years of 104 feet. Part  
9 of that was due to a five-year drought that affected it by 60  
10 percent snow pack for that period of time. As it is, 17.5  
11 million acre-feet per year is coming out of Powell and Lake  
12 Mead. About 15 million acre-feet per year is going in and you  
13 have a 2.5 million acre-feet drop, typical every year.

14 And I want to tell you about your own  
15 organization I think you should become aware of. This is a  
16 drought monitoring. I don't know if you are familiar with the  
17 cover on this sheet. It said higher temperatures in January,  
18 February and March in this area and that is exactly what has  
19 happened. There has been higher temperatures. This is  
20 greatly to do with global warming, El Nino and La Nina which  
21 are affecting the weather patterns severely.

22 CHAIRMAN SCHORR: Could you please summarize.

23 MR. TONEY: With Growing Smarter, if the state  
24 land department and others do not take a good look at this  
25 information within your own governmental structure, you are

1 playing fantasy games into the future with this growth. Any  
2 more freeways anywhere on the planet are contributing to the  
3 global warming. As far as this transportation thing, then  
4 take a multi-disciplinary look at it or it is complete  
5 fantasy. I will leave some information.

6 CHAIRMAN SCHORR: Thank you. Our next speaker  
7 is Jack Husted.

8 MR. HUSTED: Mr. Chairman, members of the  
9 board, congratulations to Victor, congratulations to you. I  
10 think I have been to more board member meetings than anyone  
11 except John McGee and I would like to make a record here. I  
12 represent the White Mountains and we speak regionally and the  
13 city of Show Low would like to thank the board and  
14 particularly the staff. I'm sorry that Victor is not here.  
15 Richard, maybe I would get your -- or get you to give  
16 accolades to the staff up in the Show Low area. There was a  
17 combination involved in the Show Low bridge project. There  
18 was some political wranglings. I know that some of you were  
19 contacted by a family in the Show Low area, an old pioneer  
20 family. But the staff handled it very, very professionally  
21 and the city of Show Low would like to say to the staff well  
22 done.

23 On that note, I would like to change, maybe  
24 not change hats, but my time was spent on this board  
25 advocating for rural Arizona and I would like to say go member

1 Feldmeier. As evidenced by a simple four million dollar  
2 project in Show Low, that \$21 million he is graciously willing  
3 to have staff look at filtering out for the rest of the state.  
4 A two or three million dollar project means a lot to Navajo  
5 County, Greenlee County, to Apache County which has that goose  
6 egg. Victor maybe didn't seem to think that the goose egg was  
7 a bad thing. We do. And I appreciate and applaud the efforts  
8 to disseminate that money through the rest of the state.

9 Real briefly, to change hats again, we stand  
10 by the time coalition as it continues to build our coalition  
11 statewide and stand by for announcements soon of the plan if  
12 we are able to come to an agreement with the governor's office  
13 in the next couple of weeks. But the time coalition, Victor  
14 is nodding his head, is growing and we are appreciative of  
15 your support. Thank you very much.

16 CHAIRMAN SCHORR: I have no further slips. If  
17 there is anyone else in the audience who wants to speak?

18 MS. TROUTMAN: I'm Anita Troutman. I wanted  
19 to say to you thank you very much. I was here a year ago in  
20 opposition to this San Pedro bypass and I thought I was the  
21 only voice in the wilderness. So I have been proven wrong and  
22 I thank you for the decision that you have made in terms of  
23 the I-10 bypass. My ancestors say thank you too.

24 CHAIRMAN SCHORR: Thank you very much. There  
25 being no further people, then I will take a motion to adjourn.

1 MR. HOUSEHOLDER: Move.

2 MS. LUNDSTROM: Second.

3 CHAIRMAN SCHORR: Mr. Householder has made a  
4 motion that we adjourn. Ms. Lundstrom makes the second. Any  
5 discussion or comment? All in favor?

6 ALL BOARD MEMBERS: Aye.

7 CHAIRMAN SCHORR: So ordered. Thank you.

8 (Maria Troutner of the Cascabel Working Group  
9 has presented ADOT with 686 signed cards that urge ADOT to  
10 support the preservation of open space and the natural and  
11 cultural resources in the San Pedro River Valley by rejecting  
12 the construction of an I-10 bypass or any other highway  
13 through the San Pedro River Valley.)

14 {Hearing concluded at 12:35 p.m.}

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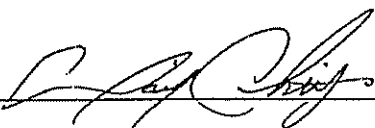
## 1 C E R T I F I C A T I O N

2 \* \* \* \* \*

3  
4 BE IT KNOWN that I, David G. Christy, took the  
5 foregoing hearing at the time and place stated in the caption  
6 hereto; that the testimony of said hearing was reduced to  
7 writing under my direction; and that the foregoing 111 pages  
8 contain a transcription of my notes of said hearing.

9 I FURTHER CERTIFY that I am not of counsel nor attorney  
10 for either of any of the parties to said cause or otherwise  
11 interested in the event thereof; and that I am not related to  
12 either or any of the parties to said action.

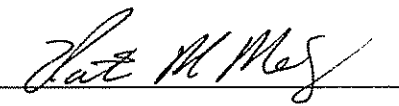
13 IN WITNESS WHEREOF, I have hereunto subscribed my name  
14 this 30th day of March 2008.

15  
16   
17 David G. Christy

18 Certified Court Reporter, #50061

19   
20 Si Schorr, Chairman

21 State Transportation Board

22  
23   
24 Victor Mendez, Director

25 Arizona Department of Transportation